FINANCIAL TIMES

No. 25,534 Wednesday August 18 1971 ** 6p

News Summary

[...]STER

[U]nionist [s]upport [f]or PM's [t]actics

[...]ter Premier Faulkner, [...]ged yesterday by a double [dec]laration of support from [...]s and Senators in the [Un]ionist Parliamentary Party [at] Stormont, is due to fly to [Lon]don to-night for a day of [talk]s at Chequers to-morrow [with] Mr. Heath and senior [min]isters.

[T]he talks are expected to give [min]isters the opportunity to [discu]ss the results of the intern[men]t policy rather than produce new initiatives.

[A]t Stormont yesterday, "full [sup]port" for Mr. Faulkner's [han]dling of the security situation [was] declared first at a Parlia[men]tary party meeting at which [he] answered questions on [sec]urity, and later in a telegram [afte]r a private meeting with [min]isters absent. [Bac]k Page

[M]intoff's second [vis]it to Libya

[Malt]a Premier Mintoff flew to [Trip]oli for the second time in a [mon]th yesterday after five hours talks with Libyan Deputy [Pre]mier Jalloud, who had flown [to] Valletta unannounced. Mr. [Min]toff delayed a meeting with [Sovie]t Ambassador Mikhail [Smi]rnovsky—who was reported [unof]ficially to have offered Soviet [aid] "without strings"—to talk [with] Jalloud.

[Me]anwhile, Britain is prepared [to] help Malta out of its [...lous]" short-term financial [diffic]ulties if Mr. Mintoff shows [him]self ready to reach agreement [on] defence facilities, writes [Mich]ael Simmons. Back Page

[Ch]arter tangle

[...]ly-four charter flight passen[gers] barred from flying on a VC-[10] to Entebbe and Nairobi [beca]use they did not appear to [com]ply with group travel rules, [left] London on a scheduled East [Afri]can Airways flight. East [Afri]can, who also supplied the [char]ter plane, said the VC-10 was [char]tered by a subsidiary, Sey[chel]les and Kilimanjaro Air [Tran]sport, who, apparently, had [pro]tested that the "unqualified" [pass]engers be barred from the [fligh]t.

[La]ter, their tickets were taken [awa]y by a travel agency, said [EAA], and tickets were issued for [a sc]heduled flight.

[Co]ach tragedy

[Eigh]t people, most of them pen[sion]ers from York, were killed [and] 37 were injured when a coach [and] a car collided at Hemsley, [Y]orkshire's North Riding.

[Thre]e people died, and a boy was [badl]y injured, when a car hit a [...] at Ashford, Kent.

[As]ians detained

[...] Asians and two other men [wer]e detained by police at [Gain]sborough, Lincs., after a [ligh]t aircraft was seen to land [on] a former USAF airstrip at [Ha]rgate, near Lincoln.

[Ty]phoon kills 90

[Dea]th toll in Hong Kong as a [resu]lt of 120 m.p.h. Typhoon Rose [reac]hed to 90, of whom some [...] were Macao ferry crewmen, [dro]wned when the vessel dragged [its] anchor and capsized in the [...]hour.

[Th]at V-sign . . .

[Hick]stead course owner Douglas [Bun]n said course directors had [set] aside their decision to make [cha]mpion show jumper Harvey [Smi]th forfeit his £2,000 Wills [Bri]tish Jumping Derby prize [bec]ause of a two-finger gesture [he] made after winning. Bunn [said] the directors "acted [wro]ngly" in deciding without [ask]ing Harvey to appear before [the]m. He would get the chance [to] do so "at a later date."

[B]riefly . . .

[Br]ian Herbert, 49, the world's [lon]gest-surviving heart-lung trans[pla]nt patient, died in Cape Town [...] days after the operation. No [rea]son was given.

[Dea]th sentence was demanded [for] nine men and four women [who] went on trial in Istanbul for [the] murder-kidnap of Israeli [Con]sul Elrom.

[Spy]ros Skouras, former president [and] chairman of 20th Century-[Fox], died in New York aged 78.

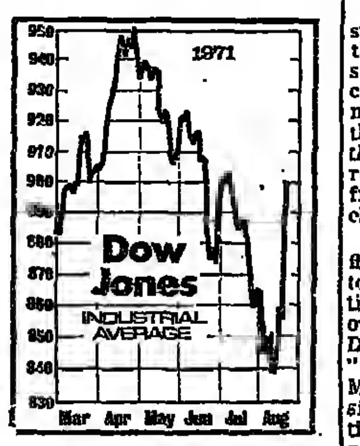
BUSINESS

Wall St. index tops 900

● **LONDON EQUITIES** fell further, the index ending 5.1 lower at 404.2. Leading shares lost ground under moderate selling. Exporters' shares suffered. So did oils, on fear that exporting States would raise their charges to offset a fall in the dollar's value. Gold shares weakened. Gilts had further gains ranging to ⅜ on hopes of lower interest rates.

● **MOST METALS** and most commodities in London were easier where changed. Page 4

● **WALL STREET** enthusiasm was renewed yesterday after Monday's near-33-point jump in the Dow Jones index. Profit-taking at first held the market down. But the rise was later resumed. The index at one time topped 900; it closed a net 10.95 up at 899.90. The Big Four car stocks were the most active: American Motors jumped two points. Blue chips and glamour stocks were to the fore. So were machine tool companies, standing to benefit most from the restoration of the investment tax credit.



● **THE U.S. TREASURY** will not "roll over" the $516m. of Eurodollar certificates maturing August 24—one more step on the dollar-inconvertibility road. Others maturing later will be handled in the light of market conditions, it said; that was taken to mean that they too will revert. U.S. banks' foreign branches now, instead of interest-bearing Treasury paper for Eurodollars, will hold Eurodollars which will be a paper asset with no other backing.

● **AUSTRALIAN** stock exchanges slumped yesterday, Sydney's all-Ordinary index by 10.5 to 466.54. New falls were expected for to-day. There was a swing away from companies having mineral contracts with the Japanese, from wool broking houses and from coal concerns.

Tokyo Stock Exchange rallied after a further fall. Its index dropped 131.10 on fear of a revaluation. But at the close the net fall was 89.6 to 2,440.8. Page 10

More hope for RB-211

● **HOPE THAT THE RB-211** engine would be exempt from the new U.S. 10 per cent. import charge rose yesterday, based on views that the U.S. Administration would not want to see Lockheed's TriStar project under new risk of failing; that Treasury Secretary Connally has power to exempt it; and that the TriStar is a source of future U.S. exports. Page 10

● **AUSTRALIA'S BUDGET** is angled against inflation, with increases in personal tax, duties on petrol and tobacco and post and telegraph charges. Federal Treasurer Mr. Snedden announced substantial farming aid, notably for wool, and bigger defence (by 10.3 per cent.) and foreign aid spending. Public companies will pay 47½ per cent., instead of 42½, on their first $A10,000 of taxable income; this is viewed as aimed at tax-dodging. Pages 4, 5 and 12

● **ICELAND'S STANDPOINT** on its plan to extend fishing limits to 50 miles "is negotiable," said Mr. Agustsson, Foreign Minister, in London. He is to see Mr. Joseph Godber (Foreign Office Minister) to-day, then go to Bonn for talks. Page 12

Foreign exchange markets still closed

Europe currencies expected to float when dealings open

BY SAMUEL BRITTAN

When the foreign exchange markets reopen in London the pound is widely expected to be on a floating rate of exchange. A "temporary" and "controlled" float by the main European currencies is regarded in high financial circles in London as the most promising immediate way out of the present currency impasse.

The Bank of England has traditionally been opposed to floating rates as anything other than a temporary expedient and would like to limit reform to a widening of the margins. But there has long been a highly-placed Whitehall view that has seen attractions in floating the pound in the right circumstances. The combination of the dollar crisis and the need to get the exchange rate right by the time of EEC entry in 1973 might well constitute just these circumstances.

The omission of the customary statement of "no change" in the sterling parity is a conspicuous feature of the present crisis which distinguishes it from most of its predecessors. Indeed, the pound is already floating in those foreign markets which have remained open as well as in the fringe markets in travellers' cheques and notes.

However "temporary" any floating of the pound is said to be, it will inevitably take time for markets to find their own levels. The German and Dutch currencies have been "temporarily" floating since last May and the Canadian dollar since the May before. The last time that sterling was "temporarily" floated was in 1931 and it did not return to a fixed parity until 1939.

Four theoretical solutions to the immediate impasse are seen in London. One would be to reaffirm all the official parities of last week. This would simply not be credible in the market and would release even greater torrents of speculation. The second would be very rigid exchange controls; but, quite apart from their other disadvantages, they always tend to leak very severely and it would take a long time to create a policing apparatus.

The third solution would be a realignment of parities to a new set of fixed rates with or without wider margins. This, however, would take too long to arrange in the present emergency. Apart from the political objections of some countries—this has been the French and Japanese line—to appreciating their own currencies "to save American face," there are genuine uncertainties about what the new pattern of parities should be. Thus the fourth and most likely solution, by a process of elimination.

The British authorities believe that close co-operation will be needed in the market intervention policies of all the countries floating against the dollar. Nevertheless, there are likely to be varying views expressed at the Brussels meeting of Finance Ministers on Thursday about how far co-ordination of exchange rate policy should go.

The Schiller idea of a joint float of the Six, which was opposed by the [illegible] last May, appears to be g[aining] more support in the changed atmosphere.

But it is strongly felt in economic departments in London that other European countries which are not yet operating the Common Agricultural Policy do not have the same need to tie their rates together.

The U.K. would clearly have to participate in any joint Community policy in operation in 1973. But in the meanwhile there is felt to be a strong case for letting the pound move independently.

The question remains open whether there would be any limits to a British float — by means, say, of an announced "moving band" — or whether there will be a period of floating without any announced central value.

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Depreciation

British Government circles feel strongly that, although sterling might stand a slight appreciation against the dollar, there must be no appreciation against the general average of leading currencies. Indeed, the preference is for a moderate depreciation to safeguard the British competitive position against the effects of domestic inflation and the payments impact of EEC membership.

Even if the economic departments of Whitehall are overruled and Britain does eventually take part in a joint float with the EEC an essential preliminary is still felt to be a downward adjustment of the sterling exchange rates in relation to most of the main European currencies.

Barber for 'Six' talks in Brussels

BY WILLIAM KEEGAN

MR. ANTHONY BARBER, Chancellor of the Exchequer, is to fly to Brussels to participate in at least some of the meetings taking place tomorrow between the EEC Finance Ministers on the next steps in the dollar crisis.

This is in line with the decision reached at Monday night's emergency Cabinet meeting that the U.K. should not act unilaterally in response to the U.S. move but should co-ordinate its policy with its future partners in the EEC.

Mr. Barber's visit to Brussels appears to indicate that the Six too are in favour of acting in concert with the U.K.

Following the Cabinet meeting Mr. Barber yesterday formally wrote to the chairman of the Group of Ten, Mr. Edgar Benson, Canadian Finance Minister requesting an early meeting of the Group of Ten Finance Ministers to discuss the next steps to be taken with regard to the dollar crisis.

Mr. Barber is understood to have suggested that it would be convenient to hold the meeting in Europe. Last night Ottawa sources suggested that Group of Ten chairman Mr. Benson was acting on Mr. Barber's proposal to meet, and in Washington it was hoped that a meeting would take place there this week-end, in time for the foreign exchange markets to reopen on Monday.

Since Monday's Cabinet meeting no further meetings have been called by Mr. Heath and, although Ministers remained on call, there is no sign that they will be summoned back to London over the next few days.

Pound up

All the leading European foreign exchange markets remained closed yesterday, as will London to-day. Dealings took place without central bank intervention in Frankfurt and Zurich, where European currencies strengthened very slightly against the dollar.

The German monetary authorities announced last night that they would not intervene in the foreign exchange market to-day but that inter-bank trading could continue. An Economics Ministry spokesman said the official market would also be closed to-morrow and was unlikely to reopen before Monday.

When New York opened the dollar weakened further, the most dramatic move taking place in the dollar/sterling rate, where the pound quickly rose to around $2.46-48 to the dollar, or 2½ per cent. above the $2.40 parity. The pound closed in New York at $2.4625. Rates for travellers' cheques were considerably higher than this in London, averaging around $2.52.

Gold market

The London gold market reopened yesterday afternoon and the fixing price, at $43.05 an ounce, was only 0.05 cents up on last Friday's rate—well below the peak of $43.94 reached earlier last week. In some market quarters the Nixon decision to suspend the convertibility of the dollar into gold was being taken as less "temporary" than the official U.S. announcement had suggested.

Six likely to agree joint solution

BY ROBERT MAUTHNER, EUROPEAN CORRESPONDENT

BRUSSELS, August 17.

THE SIX Common Market countries appear to-night to be moving towards a decision to float as a bloc against the dollar following the American decision to suspend the convertibility of the dollar into gold and to impose a 10 per cent. surcharge on imports.

In concert

No final decision has yet been taken but this was the consensus, according to reliable sources, at a hastily convened meeting here of the Common Market's Monetary Committee chaired by M. Bernard Clappier, deputy governor of the Bank of France, and composed of Central bank, national and European Commission officials.

M. Gastou Eyskens

From the sparse information which filtered out from the traditionally secret meeting of the committee it is clear that the Six are determined to act in concert and have rejected any purely national solutions which might cause a disintegration of the Community.

Following the Monetary Committee's meeting the steps to be taken by the Common Market were being discussed late last night by a full meeting of the European Commission.

But any final decision is not likely to be taken until Thursday, when the Finance Ministers of the Six meet in Brussels.

The Belgian Government's position, which amounts in effect to an acceleration of the original Werner plan for a European economic and monetary union, was made clear at an extraordinary Cabinet meeting this morning and well may be an indication of the way things are moving here.

After the Cabinet meeting M. Gaston Eyskens, the Belgian Prime Minister, announced that Belgium would do everything to convince its partners to adopt a common monetary policy as quickly as possible. The immediate aim, he said, should be to restrict the margins within which Common Market currencies can fluctuate against each other to 0.75 per cent. either side of parity, which was the prevailing situation before the floating of the D-Mark and the guilder.

Such a move would clearly require an intervention system by a central European fund. M. Eyskens recognised. He gave no hint, however, whether a joint float of Common Market currencies against the dollar, which is now being mooted, would be preceded by any internal realignment of EEC currencies.

Nor is there any indication, as yet, of what the Six will do about the unit of account, equivalent to the gold parity of the U.S. dollar, in which the Six's common farm prices are fixed.

Now that the dollar is no longer convertible into gold it appears inevitable that the Six will have to fix some fictional parity for the unit of account in order to prevent their whole farm policy, already seriously undermined by successive international monetary crises, from disintegrating.

M. Eyskens also said that consultations should be held between the Six and the British Government on the steps envisaged by the Community, but Commission officials claimed that no written request to this effect had yet been received in Brussels from London.

Unfavourable

Both the Commission and the Belgian Prime Minister had some unfavourable comments to make about the latest American measures. M. Eyskens said that since the dollar was no longer convertible, the Belgian Central Bank no longer had any reason to support it.

Commission officials, for their part, pointed out that the American measures seriously affected the interests of the Community. The 10 per cent. import surcharge, they said, was particularly harmful to those countries whose currencies had been floating since May. The cumulative effect would be a discrimination of 18.25 per cent. against German exports and 17 per cent. against Dutch exports to the U.S.

U.S. may send envoy to 'hard-line' Japan

BY JOHN GRAHAM, U.S. EDITOR

THE STATE Department to-day announced that the U.S. might soon send a special representative to Japan to discuss the ramifications of President Nixon's new economic policies. This move derives added significance from the strong reaction provoked already in Japan by the 10 per cent. import surcharge.

There is no question that, to the extent that President Nixon's proposals can be said to be aimed at one country in particular, that country is Japan. The U.S. is not so innocent as to have underestimated in advance the difficulties that might be expected with Japan, as was made clear to-day by the State Department spokesman.

He said Mr. William Rogers, Secretary of State, telephoned Mr. Sato, Japanese Prime Minister, an hour before President Nixon's broadcast last Sunday. Canada was the only other country informed by the State Department in advance.

Tokyo talks

Consultations between the U.S. and Japan over the problems caused by the measures have already begun in Tokyo, but at the official level. With the Japanese reacting as strongly as became evident to-day, the U.S. will almost certainly need to be represented at a higher level.

Domestically, to-day provided more proof of Mr. Nixon's political judgment, in that reaction in the U.S. is still favourable, especially in Congress. The one exception is the labour movement, whose leaders are castigating the wage freeze at every turn and even threatening defiance.

Japan urged to retaliate

TOKYO, August 17.

MEETING in emergency session, Japan's Economic Ministers to-day considered demands from powerful business circles that the country delay implementation of import liberalisation measures in view of mounting dissatisfaction with President Nixon's 10 per cent. import surcharge.

The Cabinet was under continued pressure not to float the yen, but the Finance Ministry admitted that the situation "does appear to be getting somewhat out of control."

Details Page 10

Cavenham stake in Bovril increases to 43%

BY NICHOLAS LESLIE

THE ODDS swung in favour of Cavenham yesterday in its battle with Rowntree Mackintosh for control of Bovril. Purchases of more than 244,000 Bovril shares in the market lifted Cavenham's holding to 43 per cent. and it appears certain that Cavenham will again be in the market to-day in an attempt to decide the issue. In the last two days, Cavenham has bought nearly 21 per cent. of the Bovril equity.

Meanwhile, Rowntree indicated that it was still very much in the running by extending its lower, but recommended, bid until 3 p.m. on Friday.

In a statement yesterday, Mr. Hugh Lawson Johnston, chairman of Bovril, said that Press reports implying that the Argentine assets owned by Bovril might be disposed of in certain circumstances were causing anxiety in Argentina.

Mr. Johnston made it clear that the continued control of a substantial part of the assets, including factory operations, "is of paramount importance to the future production and profitability of Bovril itself, as well as of some associated products."

Later, a spokesman for Bovril's advisers, Schroder Wagg, said that the speculation on the Argentine assets could be harming Bovril's 80-year standing in that country. Bovril's workforce there was becoming increasingly disturbed by reports that the assets would be hived off. The spokesman suggested that the Argentine meat packers' union call last week-end for workers' participation in management and national ownership had been prompted by fears that the assets might be taken over by interests unsympathetic to the unions.

Mr. Jimmy Goldsmith, Cavenham's chairman, said the Argentine situation would be looked at if Cavenham won control of Bovril. But he pointed out that "as far as we are concerned we are interested in profits per share in the next ten years, not in profits in the Argentine in the past 80 years."

A spokesman for Cavenham's advisers, Keyser Ullmann, said Bovril shares would continue to be sought in the market to-day. He said he was "confident we will be able to buy enough shares to-morrow to gain control."

The fact that the odds now look to be in favour of Cavenham's control was admitted by Hill Samuel, which is advising Rowntree. A spokesman for Hill Samuel felt, however, that the number of Bovril shares traded to-day would drop off. He again confirmed that Rowntree had no intention of raising its offer terms.

[CH]IEF PRICE CHANGES

[Pr]ices in pence unless otherwise indicated)

RISES

[Ex]chequer 8½% 1976	£98½	+ ⅜
[Ex]chequer 5% '76-78	£92¼	+ ½
[Tre]asury 8½% 'A'	£94⅞	+ 1
[...]ern Services	54	+ 6
[Bri]tish Assets	82½	+ 4½
[...]lyns	123	+ 6
[...]y Prop.	220	+ 15
[...]ing Supplies	155	+ 10
Reeves (F. J.)	50½	+ 4
Truman Hanbury	450	+ 7
Amax	£16¼	+ £1

FALLS

Amal. Invest. & Prop.	333	− 13
BSR	329	− 15
Bowring (C. T.)	446	− 10
British Reloy	42½	− 5½
Broken Hill Prop.	572	− 11
Curzon House	175	− 10
Doncaster (D.)	47	− 5
Drakes	158	− 7
Finlan (J.)	05	− 5
Grendon Securities	86	− 6
Guest Keen	385	− 7
Hawker Siddeley	211	− 10
Hill Samuel	120	− 6
Honda (E. D. R.)	125	− 45
Imperial Chem. Inds.	318	− 6
Mono Containers	88	− 7
Philips' Lamp	588	− 27
Royal Insurance	384	− 8
Sterling Guaran. Tst.	308	− 12
Triumph Invest.	212	− 4
Unilever	333	− 6
British Petroleum	590	− 25
Anglo-American	348	− 12
Botswana	230	− 10
East Drie.	172	− 15
Meekatharra	55	− 10
Peko-Wallsend	370	− 10
West Wits.	840	− 50

U.K. DAILY STOCK INDICES

F.T.-ACTUARIES

	Aug. 17	Aug. 16	Yr. ago
Industrial Group	166.52	167.55	—
500 Share	181.33	183.39	134.67
Div. Yield pc	3.65	3.61	4.81
P/E Ratio	17.61	17.84	13.80
All Share	178.79	180.58	127.42
Consols Yield pc	9.15	9.19	9.25

FINANCIAL TIMES

	Aug. 17	Aug. 16	Yr. ago
Govt. Secs.	75.39	75.18	70.35
Fixed Interest	74.58	74.56	72.12
Industrial Ord.	404.2	409.3	336.1
Gold Mines	56.3	58.6	48.8
Ord. Div. Yield	3.78	3.73	4.95
Earnings Yield	5.90	5.83	6.77
P/E Ratio	16.95	17.14	14.88
Dealings Marked	11,916	12,469	7,669

Industrial Ord. (noon) 404.7

For latest share index phone (01)-246 8026.

ANNUAL STATEMENTS

ON OTHER PAGES

PROSPECTUS

(Comment Page 14)

THE £ ABROAD

	Close Aug. 17	Close Previous
New York (spot)	$2.4700-4800	$2.4225-4250
Do. (1 month)	Unavailable	Unavailable
Do. (3 months)	Unavailable	Unavailable
Do. (12 months)	Unavailable	Unavailable

Letters to the Editor

BRACKEN HOUSE, CANNON STREET, LONDON, EC4

Graduates in Rhodesia

Sir,—The author of the article, which appeared on June 3, has chosen to associate the problems of the employment of graduates, first to black graduates only, and second to Rhodesia specifically, but an equally serious problem exists in most of the older countries of the world.

The same "plight" faces many graduates—irrespective of the colour of their skins—in the U.S. particularly and in many other countries. The U.S. has scores of universities each with 20-30,000 students; many thousands of them each year are faced with the identical problem —namely that of obtaining employment. Why then should the plight of a mere 1,000 African graduates in Rhodesia be of such "acute concern" to the British and Rhodesian Governments?

While it is true that Rhodesian Africans initially had to obtain their university education in South Africa, it is also true that initially they were reluctant to accept the educational facilities made available to them in Rhodesia, and only in the last two decades have they realised the advantages of education.

Arts degrees

The author estimates that about 600 African students graduated from U.S. universities in the 1960s, but he does not reveal what courses they attended. The experience of the University of Rhodesia, although brief, proves that African students take mainly Arts Degrees in subjects such as social or political science, economics, history and geography, all of which are of little value in a small, young country like Rhodesia.

African students have failed to appreciate this fact and they continue to take these degrees because by diligent application to their studies they are able to assimilate sufficient "theoretical" knowledge to obtain degrees. The majority of graduates, however, are unable to apply this knowledge in a practical manner, a fact which is not altogether surprising if one examines their backgrounds.

Many of these gradutes have spent their early years in Tribal Trust Lands and have been raised in a traditional environment with a deep rooted belief in witchcraft and the powers of ancestral spirits. During their secondary schooling in a more sophisticated environment, they adopt a veneer of Western culture, but the majority never shed their basic beliefs entirely. Those graduates who emigrate and live and work in Western countries, entirely divorced from their early environment, have a better chance of success as they are forced to adapt themselves to Western cultures.

The Rhodesian Civil Service employs only a handful of doctors because only a handful qualify each year. Black doctors are naturally employed in African hospitals where the need is greater and because they are best suited to treat the unsophisticated African tribesmen, who are still suspicious of modern surgery and medical treatment. Where better could they be employed; for few white doctors can claim to understand the African mentality?

But the Rhodesian Civil Service also employs other African graduates and at the end of 1970 there were 78 teachers, 10 school inspectors, eight doctors, one dental surgeon, one veterinary surgeon, two social workers, two community development training officers and an agricultural economist, employed in Government service at the same rates of salary applicable to any other members of the public service in these grades.

Despite the author's assertion that no thought seems to have been given to employing highly trained Africans in rural development, tremendous progress has been made in the development of the Tribal Trust Lands through a system of African Councils, administered by trained African Council secretaries.

That graduates have not generally been in employment in these relatively well paid posts, is because their degrees do not fit them for this work. The fault lies with the students themselves —who mostly take Arts degrees —and not with the system. African recruits into this field undergo a year's course at the Domboshawa Training School and already over 100 councils are in existence and more are being formed. These facts have been ignored by the writer of this article, as have many others.

Businessmen

The image of Rhodesia that emerges, is that of a country where the blacks are suppressed and frustrated by lack of opportunity, but talk to the successful African businessmen—most of whom have had little education —and this image will soon be dispelled. Many African businessmen have managed to see and grasp the opportunities in this fast developing country where rising standards of living have led to a continually rising consumer demand.

They now live in their own magnificent homes, equal to the best white-owned houses and superior to many; they own businesses in African townships and in Tribal areas and they trade freely with black and white Rhodesians alike. They have proved that Africans with initiative and the will to work do not need to rely on the Governments of Rhodesia or Britain to do more for them than what is already being done.

This is the other side of the coin which the author is careful to hide and which he only wishes to tarnish.

Black graduates should look for the opportunities and not wait for them to be handed out by Government, and appreciate the fact that because they obtain a degree he or she is not entitled guaranteed employment. A university degree only indicates a certain ability to learn and thus expand a person's mental attributes.

R. C. Plowden,
Director,
Branch of Internal Services,
Ministry of Information,
Immigration and Tourism.
Jameson Avenue,
Salisbury, Rhodesia.

Sophistry and the EEC

Sir,—Christopher Tugendhat, MP, says that he has found a way of convincing his constituents that entering the EEC does not mean abandoning our friends in Australia, New Zealand, etc., who stood by us in 1940, in favour of merging with our former enemies (August 11).

Could he be less coy and tell us his argument, which must be a masterpiece of sophistry? And could he try it on Mr. Heath, who told us on May 19, that the EEC would achieve by other means "what Napoleon and Hitler failed to achieve"?

David Lazarus.
124 Gladstone Park Gardens, NW2.

Referendum wanted

Sir,—Mr. C. Tugendhat, MP, thinks that the majority of his constituents favour EEC entry, but that a referendum to settle this would be "impracticable and unsuitable" (August 11).

Have his Parliamentary colleagues, such as Philip Goodhart and Sir Harry Legge-Bourke, who intend to hold referendums, found this? Do Ireland, Denmark and Norway, who will have referendums, find this? And have all the referendums held so far supported Mr. Tugendhat's view that most people favour EEC entry?

Mr. Tugendhat and the Conservative Party were elected on a platform to negotiate, "no more, no less," and not to enter without the whole-hearted support of Parliament and people.

We demand a vote in our future, with the same use of public funds for giving the anti-EEC facts that the Government has for giving their side. We do not regard the opinion of a few people like Mr. Tugendhat, anxiously wondering whether their dog-licence will be withdrawn, as a substitute for this.

K. T. Moore,
20, Queenborough Gardens, Ilford, Essex.

Buyers do not know all

Sir,—As a buyer I am, no doubt, biased, but I found the letter from Mr. Sperling (August 13) distinctly disturbing.

No senior buyer can ever hope to be an expert in every field of activity that his purchasing will be expected to cover. He can be expected to have the commercial acumen and expertise to temper the judgment of technical experts, and so possibly rationalise either design requirements or supply points.

I question the statement that "the majority of purchasing officers . . . know all sources of supply" as it is my experience that the majority of buyers are prepared to see any bona-fide sales representatives. If necessary the buyer can effect an introduction to a production or design expert—but such introduction should always be effected through the buying office.

There is, however, a marked reluctance amongst the majority of buyers to deal with agents, agencies or information seekers. Because of the extent of "trick selling" it behoves all buyers to be extremely wary about the dissemination of information. *Caveat emptor.*

E. G. Long.
84, Hoylake Crescent,
Ickenham,
Uxbridge, Middlesex.

Cost of a lost share

Sir,—I wish to express my feelings most strongly about a bank charge of £2.50, which was made by my bankers in respect of the signing of a letter of indemnity in respect of a lost share certificate of the Distillers Company. It seems to me outrageous that bankers are allowed to make such a charge on shareholders who have not contributed in any way to the loss of a certificate. It would be interesting to learn of the experience of others in this regard.

Cars as a source of rates

Surely the Chartered Institute of Secretaries could take this matter up with a view to making it possible for company secretaries to be allowed to accept the signature of a member of a Stock Exchange in this country.

David Thorburn.
76 Maple Drive, Parkhall,
Dalmuir, by Glasgow.

Purchasing and profits

Sir,—Mr. Thorncroft's article "The Forgotten Man of Selling" contained the generalisation that a 10 per cent. saving in purchases is the equivalent of a 10 per cent. increase in sales. On August 12, however, you published a letter from Mr. J. Young in which he suggested that a saving in purchasing of only 1 per cent. is the equivalent of a 10 per cent. increase in sales, as the 1 per cent. saving in purchasing costs is a direct contribution to profit. May I offer some observations on this matter?

The relative benefits to be obtained by reducing purchasing costs or increasing sales depend upon circumstances and generalisations of the kind promulgated by Mr. Thorncroft and Mr. Young are misleading.

The crux of the matter lies in the numerical relationship between sales revenue and purchasing costs. If sales revenue substantially exceeds purchasing costs then Mr. Thorncroft's statement is broadly true while Mr. Young's contention is valid where sales revenue only marginally exceeds the costs of purchases.

Let us consider a manufacturing company which spends £1m. on raw materials, sells the finished product for £5m. and makes a profit of £1m. in the process. A 10 per cent. reduction in purchasing costs would result in an increase in profit of £100,000 and a 10 per cent. increase in sales would produce an increase in sales revenue of £500,000 which, in turn, would produce a profit of £100,000 or more. This is in line with Mr. Thorncroft's statement.

Let us now consider a company engaged, say, in distribution rather than manufacturing. This company spends £1m. on purchasing, revenue from sales is £1.2m. and the profit is £100,000. A 1 per cent. reduction in purchasing costs would result in increased profit of £10,000, and a 10 per cent. increase in sales would produce an increase in sales revenue of £120,000 with a profit increase of £10,000. This is in line with Mr. Young's contention.

In other words Mr. Thorncroft's statement is broadly true when the ratio of sales revenue to cost of purchases is high, while Mr. Young's statement is valid when this ratio is low

J. Allan.
5, Valley Close,
West Park,
Hartlepool.

Publicity for secretaries

Sir,—Your correspondent Mr. J. H. Pinckney, whose letter implying criticism of the Chartered Institute of Secretaries' current publicity promotion you published on August 12, leaves one to conjecture whether he is himself a member of the Institute. Why does he not declare his interest?

I am a chartered secretary and, I believe in common with a large number of other Institute members, have for a long time felt that the council of my professional body did far too little to publicise the qualities and qualifications of the CIS and its members. It is to my discredit that I took no personal part in bringing about the new thinking which the recently-launched publicity campaign evidences.

I have no idea of what impact the advertisement to which Mr. Pinckney refers had on those at whom it was directed, but in the unlikely event of it having made no impression on the "opinion formers" the £3,000 which your correspondent says the advertisement cost was by no means money wasted.

The impact on me was terrific! At last the professional Institute to which I am proud to belong had demonstrated its awareness that in the 1970's the existence of a body of skilled professional men (and women) needed announcing to a world increasingly requiring precisely those services that we are trained to provide yet until now perhaps not consciously aware of us.

In my view the advertisement is "of to-day." I am for it and for the attitude behind it.

P. G. F. Lancaster,
Sketchley.
122 Rugby Road,
Hinckley,
Leics. LE10 2ND.

'Red Indians' lack impact

Sir,—I was delighted to read Mr. J. H. Pinckney's letter How? (August 12) commenting on the full page promotional advertisement for the Chartered Institute of Secretaries in the July 9 issue of the Daily Telegraph. I, too, would like to know the opinion of the chief executives to whom a copy of the advertisement was mailed. My own impression was that the "Red Indian" image of the chartered secretary lacked taste and that the impact was weak. One had to scan the advertisement thoroughly to discover its purport. The name of the Institute could have been given bolder treatment.

Although the cost of the advertisement was high, it is at least a start in a campaign to bring home to chairmen and other executives that the chartered secretary is not only a highly skilled professional person, but also an indispensable member of any efficient management team.

I would like to pose this question to all executives: Are you sure that your production and distribution costs are lowest and profits highest on capital and labour employed? You *must* have a doubt! Perhaps *your* missing executive is an experienced chartered secretary who could take over your load of accountancy, legal and administrative problems, and supply you regularly with facts and figures which would be news and not history.

My thanks to Mr. Pinckney for his interest in our Institute, and the publicity I hope his letter will evoke.

Miss Margaret Clements, FCIS,
40, Woodfield Road,
Solihull,
Warwicks.

A local tax on cars

Sir,—If it is considered that the rates income of local authorities must be increased substantially, then this is bound to bear hardly on owner-occupiers and tenants.

I wonder whether there is any merit in the suggestion that local authority rates could be levied on private motor cars owned or operated by ratepayers within the area concerned. Such a rate levy would take account automatically of the level of affluence enjoyed by the ratepayer and would completely bypass those too poor to afford a car.

David Kut.
Rosebery House,
Tottenham Lane, N8 9BY.

Birmingham not wanted

Sir,—You report that Mr. Henry Marking, chairman of BEA, states that the Birmingham services are running at a loss.

If BEA by now cannot run profitable services from such a vast population area as the Midlands, it should surely be clear to Mr. Marking that they are not providing the services t required.

I might add I am a f international air travell it is several years since able to use the Birmingh vices. Instead I have to f London or Manchester.

Perhaps the time has c BEA to withdraw in fa Caledonian.

C. W. Robinson.
Uddeholm,
Crown Works,
Rubery,
Birmingham.

In defence of banks

Sir,—In reply to Mr. H Nelms (August 13). As official I would like to off defence to his criticism of

Where to-day can Mr. obtain a service free of c Solicitors, accountants an professional bodies all charges for their servic nobody complains, but, t the banks try, and everyl up in arms. Would Mr. like to give his services f certainly would not last i ness very long.

John Emmerson,
39 Langdon Shaw,
Sidcup, Kent.

The question of an EEC v

Sir,—There appears to divergence of opinion whe British Minister on the Council would have a v matters of national impo Mr. Heath said in the Ho May 9, 1967: "It was r agreement which removes nationality from the Tre Rome. Solutions which a forward purely from a n point of view . . . will r accepted by the Communi final solution." Yet in th place on May 25, 1971, h "I agree with the Presid France that no major in of a nation should be ove by the other Members. T a quite clear position."

It is of vital importa know which is the truth power of veto we might some influence over our c *as a nation.* But under m voting, however qualifie should be in a potentially u state. In that case Parl would be no more than a tary of the Communitie our great political parties be by-passed.

How can the leadersh Government and Party affected by this prospect?

W. E. Bell.
86, Woodgrange Avenue,

Events

To-day

COMPANY MEETINGS

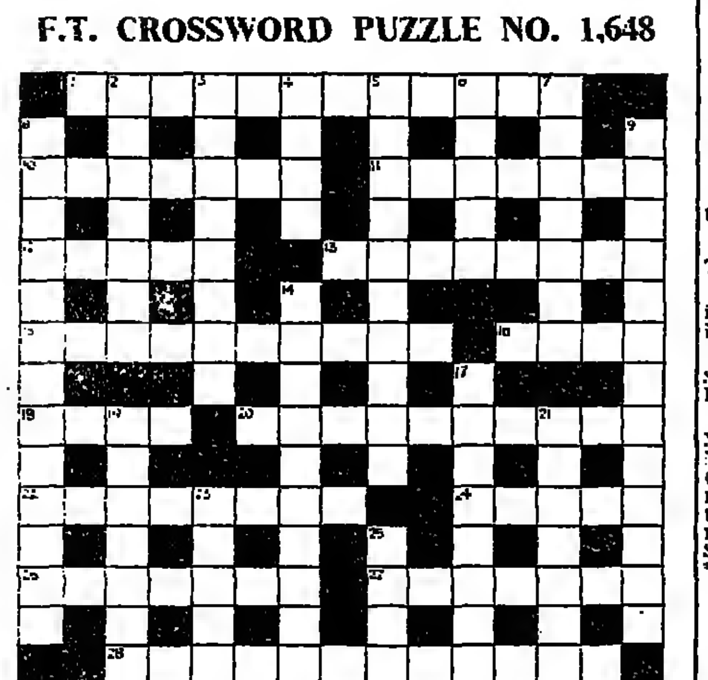
DIXON (DAVID), Leeds, 11.30. (Chairman, Sir George W. Martin.)
DRAKE AND CUBITT, Brown's Hotel, W., 3. (Chairman, Mr. H. O. Jones.)
FMC, 25, Knightsbridge, S.W., 12. (Chairman, Sir John Stratton.)
GRAIG SHIPPING, Cardiff, 12. (Chairman, Mr. O. I. Williams.)
MINSTER INSURANCE, Minster House, E.C., 12.30. (Chairman, Mr. D. S. A. Pearce.)
REARDON SMITH LINE, Cardiff, 11. (Chairman, Mr. C. R. Chalkerton.)
RIVLIN (I. D. AND S.), Augustine House, E.C., 12. (Chairman, Mr. I. D. Rivlin.)
SHAW CARPET, Wakefield, 2.30. (Chairman, Mr. R. W. Hartley.)
SIMMS SONS AND COOKE, Nottingham, 12. (Chairman, Mr. E. T. Sermon.)
STANDARD TEA, 13, Rood Lane, E.C., 12. (Chairman, Mr. R. Mann.)

ELECTRONIC BOOK MONITOR FOR LIBRARIES

What is claimed to be the first electronic book "monitor," which will identify reserved books for library members, is in operation at the University of Sussex Library. It is also to be introduced shortly in the Central Public Lending Library at Brighton.

Perfected by a British company, Automated Library Systems, of Gloucester and Welwyn Garden City, the "monitor" extends the company's range of automated systems for libraries which are speeding up the clerical side of librarianship in 17 of Britain's public libraries.

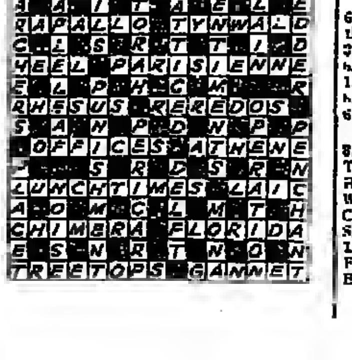
F.T. CROSSWORD PUZZLE NO. 1,648



ACROSS
1 Strange visitor means danger from China (6, 6)
10 Fish fatal to an English king (7)
11 Ranked in accordance with the rules (2, 5)
12 See the archbishop at the sound of the bell (5)
13 German with a Scot's boots (8)
15 "Let the dry land appear: —— " (O.T.) (3, 2, 3, 2)
16 The humble average (4)
18 Fish for the experts (4)
20 Treat sages specially—it can be a big advantage (5, 5)
22 If you do it you are lost (8)
24 Widowed mandrake gets the bird (5)
26 "They say —— and the lizard keep" (Omar) (3, 4)
27 Before the girl returns put out a feeler (7)
28 Political opponents land a double (4, 3, 5)

DOWN
2 A street you can bank on (7)
3 Annoyed about the gear? Water it (8)
4 Hospital for men only? (4)
5 No planet for an established expert (1, 5, 4)
6 For those who cannot write it has to be borne (5)
7 Officialdom gets a communist on record (3, 4)
8 Integration in the musical (5, 3, 5)
9 Shaw had an epic start on stage (4, 3, 3, 3)
14 Famous vessel recalled in Africa (10)
17 Brigands find the crew with it both ways (8)
19 Chaps fit for a biographer (7)
21 It's stout—why stop it flowing? (7)
23 If the reform is made, he is still dishonest (5)
25 Saint Joan sounds finished (4)

SOLUTION TO PUZZLE No. 1,647



TV/Radio

* Indicates programme in black and white.

BBC 1

*12.25 p.m. Nai Zindagi-Naya Jeevan. 1.00 Tony ac Aloma. *1.30 Watch with Mother. 1.45 News. 4.20 Play School. *4.40 Jackanory. 4.55 Behind the Scenes: series of documentary films that examines the life and work of men and women whose job is to entertain the public. 5.20 Chingachook and the Lone Hunter. 5.44 The Adventures of Parsley.

5.50 News.
*6.00 Nationwide: and Your Region To-night.
6.45 Music on Command.
7.10 Mission Impossible.
8.00 Paul Temple.
*8.50 The Fifties: September 1952, relived.
9.00 Nine O'clock News.
9.20 An Hour with Clive Dunn.
10.20 24 Hours.
10.55 The Sky at Night.
11.20 Anglers' Corner: Bream.

All Regions as BBC 1 except at the following times:—

Wales—*6.00-6.45 p.m. Wales To-day. *6.45-7.10 Heddiw.

Scotland—*6.00-6.45 p.m. Reporting Scotland. *11.37 Scottish News Headlines.

Northern Ireland—*6.00-6.45 p.m. Scene Around Six. *11.37 Northern Ireland News Headlines.

England—*6.00-6.45 p.m. Look North (from Leeds, Manchester, Newcastle): Midlands To-day (from Birmingham): Look East (from Norwich): Points West (from Bristol): South To-day (from Southampton): Spotlight South-West (from Plymouth). *11.37 Regional News Headlines.

BBC 2

11.00 a.m. Play School.
6.35-7.00 p.m. Open University: Arts.
7.30 News.
8.00 Bird's-eye View: The Englishman's Home by Sir John Betjeman.
8.50 One in Ten: Buffy Sainte-Marie sings.
9.00 Spoiling in the Sun: Johnny Morris visits some of the islands in the Pacific Ocean, Part 1: Tahiti and Bora Bora.
9.20 The Canterbury Tales by Geoffrey Chaucer, Part 1: The Pilgrims, and The Knight's Tale.
10.10 Bridge Riley in Canvas.
10.30 News on 2.
10.35 Late Night Line-up.

LONDON

1.30 p.m. Paulus. 1.45 Racing from York. 4.00 Yoga For Health. *4.25 Matinee. 4.55 The Sooty Show. 5.20 Ace of Wands.
5.50 News from ITN.
6.00 Cooking Price-wise.
6.25 Laurel and Hardy Cartoon.
6.30 Crossroads.
7.00 The Smith Family.
7.30 Coronation Street.
8.00 The Saint.
9.00 Public Eye.
10.00 News at Ten.
10.30 Mountbatten.
11.30 Wrestling.
12.15 a.m. The Persuaders: Tony Iveson asks Godfrey Hodgson of the Sunday Times about politicians' techniques of persuasion.

All ITV Regions as London except at the following times:—

ANGLIA

*4.25 p.m. Anglia Newsroom. 4.30 The Romper Room. 6.00 About Anglia. 7.00 The Odd Couple. 8.00 Mannix. 10.30 It's Tarbuck! 11.00 Wrestling. 11.45 Reflection.

ATV MIDLANDS

3.35 p.m. Tomorrow's Horoscope. 3.40 Women Today. 4.10 Peyton Place. 4.40 Paulus. 6.00 ATV Today, including Police Five. 7.00 From a Bird's Eye View. *10.30 It's Tarbuck! 11.00 Wrestling.

BORDER

4.15 p.m. Border News Headlines. 4.17 Yoga for Health. 4.40 Paulus The Woodgnome. 6.00 Border News and Lookaround. 7.00 Jokers Wild. 8.00 Man in a Suitcase. 12.15 a.m. Border News Summary.

CHANNEL

4.00 p.m. Pingwings. 4.10 Puffin's Birthday Greetings. 4.20 Tea Break. 6.00 Channel News. 6.10 Stryker of the Yard. 7.00 Nanny and the Professor. 8.00 Marcus Welby, MD. 10.32 It's Tarbuck! 11.00 Wrestling. 11.45 Epilogue, followed by news and weather in French.

GRAMPIAN

4.22 p.m. Grampian News Headlines. 4.25 Moment of Truth. 6.00 Grampian News. 6.10 Silver City Folk. 7.00 Jokers Wild. 8.00 The Baron. 8.55 Police News. 12.10 a.m. Evening Prayers.

GRANADA

4.10 p.m. News, followed by *Peyton Place. 4.40 Zingalong. 6.00 Newsday. 6.30 Randall and Hopkirk (Deceased). 8.00 Department S. *10.30 It's Tarbuck! 11.00 Wrestling.

HTV

2.20 p.m. Racing from York. 4.00 Interlude. 4.09 To-morrow's Horoscope. *4.14 Moment of Truth. 4.40 Tinkertainment. 6.01 Report West. 6.18 Report Wales. 7.00 Jokers Wild. 8.00 The Champions.

SCOTTISH

4.15 p.m. The Enchanted House. 4.30 Crossroads. 4.55 Holiday Cavalcade. 6.00 Scottish News. 6.10 Police Call. 6.15 Popeye. *6.30 Calum's Ceilidh. 7.00 Jokers Wild. 8.00 The Champions. 10.30 Band Call starring Ann Shelton. 11.00 Match Report. 11.15 Talking Heads. 11.51 Wrestling. 12.10 a.m. Late Call.

SOUTHERN

4.05 p.m. To-morrow's Horoscope. 4.10 Houseparty. 4.23 The Emperor and the Nightingale. 4.30 Crossroads. 6.00 Day by Day. 6.30 The Admiral's Cup. *7.00 Hogan's Heroes. 8.00 The Avengers. 11.30 Southern News Extra.

TYNE TEES

4.10 p.m. North East Newsroom. *4.15 Time to Remember. 4.40 The Enchanted House. 6.00 To-day at Six. 6.30 Survival. 7.00 Jokers Wild. 8.00 Department S. *10.30 It's Tarbuck. 11.00 Wrestling. 11.45 Late News Extra. 12.00 Three Poets.

ULSTER

*4.30 p.m. Romper Room. *4.50 Ulster News Headlines. *6.00 UTV News. *6.10 The Best of Lucy. *7.00 Sporting Challenge. 8.00 Man in a Suitcase.

WESTWARD

3.58 p.m. Westward News Headlines. *4.00 Pingwings. 4.10 The Gus Honeybun Show. 4.20 Tea Break. *6.00 Westward Diary. 7.00 Nanny and the Professor. 8.00 Marcus Welby, MD. *10.30 It's Tarbuck. 11.00 Wrestling. 11.44 Westward Late News. 11.48 Faith for Life.

YORKSHIRE

1.45 p.m. Racing from York. 4.10 Calendar News. *4.15 Matinee. 4.40 The Enchanted House. 6.00 Calendar News. 6.05 Branded. 6.33 Survival. 7.00 Jokers Wild. 8.00 Department S. *10.30 It's Tarbuck! 11.00 Wrestling.

RADIO 1 247m

Time checks, up-to-the-minute traffic reports and news summaries at 5.30 a.m., 6.00, 6.30, then every hour on the half-hour until 2.30 p.m., 3.00, 3.30, 4.00, 4.30, 5.30, 7.00, 8.00, 10.00, 11.00, 12 midnight, 1.00 a.m., 2.00. Weather at 5.32 a.m., 6.02, 6.32, 7.32, 8.32, 5.32 p.m., 7.02, 2.02 a.m.

5.30 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Johnnie Walker. 10.00 Tony Blackburn. 12.00 Radio 1 Club. 2.00 Tony Brandon. 3.02 Terry Wogan. 5.30 What's New. 6.00 Sounds of the 70s. 7.3 p.m. until 2.02 a.m. Radio 1 joins Radio 2.

RADIO 2 1,500m; VHF

News summaries at 5.30 a.m., 6.00, 6.30 (VHF and 247m), 7.00, 7.30, 8.00, then every hour on the hour until 3.00 p.m., 3.30, 4.00, 4.30, 5.00, 5.30, 6.00, 6.30, 7.00, 8.00, 10.00, 11.00, 12 midnight, 1.00 a.m., 2.00. Weather at 5.32 a.m., 6.02, 6.32, 7.02, 7.32, 8.02, 9.02, 5.32 p.m., 6.32, 7.02, 2.02 a.m.

5.30 a.m. News. 5.32 Breakfast Special. 8.27 Racing Bulletin. 8.55 Pause for Thought. 9.02 Michael Aspel's Open House. 11.02 Morning Story. 11.15 Waggoners' Walk. 11.30 Sid Phillips and Clinton Ford in The Sid Phillips Band Show. 12.02 p.m. Sam Costa. 12.30 and 1.30 Golf: The Benson and Hedges Festival. 1.58 Sports Desk. 2.02 Woman's Hour. 3.02 Golf report. 3.03 Break for Music. 3.10 Racing: Johnnie Walker Ebor Handicap. 3.25 Terry Wogan. 4.15 Waggoners' Walk. 4.31 Sports Desk. 4.40 Charlie Chester. 5.32 Golf report. 6.02 Album Time with Brian Matthew. 6.45 Sports Desk. 7.03 Humphrey Lyttelton with The Best of Jazz on records. 8.01 Sports Desk. 8.02 Nigel Davenport and the Cinema. 8.45 Syd Lawrence and his orchestra play Shades of the Big Bands. 9.15 Victor Silvester at the Radio 2 Ballroom. 10.02 Late Night Extra. 12.00 Midnight Newsroom. 12.05 a.m. Night Ride. 2.00 News.

RADIO 3 194m, 464m; VHF

7.00 a.m. News. 7.05 Morning Concert: J. C. Bach, Giuliani, Rossini, gramophone records. 8.00 News. 8.05 Your Mid-week Choice: Mozart, Haydn. 9.00 News. 9.05 This Week's Composer: Elgar on a gramophone record. 9.45 Chamber Music: Edwin Carr, Brahms, Ravel. 10.45 Organ Recital. 11.15 The Young Mendelssohn. 12.15 p.m. Mid-day Concert: part 1: Strauss, Brahms. 1.50 Song Recital: Debussy, Messiaen, Melanie Daiken. 2.25 Dvorak piano recital. 3.00 BBC Training Orchestra: Rossini, Sibelius. 4.00 Choral Evensong. 4.45 The Young Idea. 5.55 Jazz To-day. 6.25 Programme News: Stock Market Report. 6.30 Study on 3: Europe and the Indies: part 5. 7.00 Help Yourself to English: part 5. 7.00-7.30 VHF Open University: Social Sciences 27. 7.30 The Proms: part 1: Walton, Beethoven. 8.25 Ideology and Science: talk 1: The New Luddites. 8.45 The Prom: part 2: Bruckner. 9.50 Conversations with Philosophers: part 7. 10.30 The Eton Choirbook: Robert Wylkynson, Richard Davy, gramophone records. 11.30 News summary.

RADIO 4 330m; VHF

6.25 a.m. News Summary. 6.27 Farming To-day. 6.45 Prayer for the Day. 6.50 Regional news, weather and preview. 7.00 To-day: Magazine, the News. 7.40 To-day's Papers. 7.45 Thought for the Day. 7.50 Regional news, weather and preview. 8.00 News and more of To-day. 8.40 To-day's Papers. 8.45 The Day of the Triffids. 9.00 The News. 9.05 The Living World. 9.35 This was Your Life. 10.15 Daily Service. 10.30 All kinds of Music. 11.30 Dial A Scientist. 12.00 You and Yours. 12.25 p.m. The Secret Life of Kenneth Williams: Chapter 6, The Wooden Horse. 12.55 Weather, preview and News. 1.00 The World at One. 1.30 The Archers. 1.45 Listen with Mother. 2.00 Steve Race's Invitation to Music. 3.00 Afternoon Theatre. 4.00 The Devil's Walking Parody: anthology of prose and verse concerning donkeys. 4.30 Story Time. 5.00 PM: News magazine. 5.50 Regional news, weather and preview. 6.00 Six O'clock news. 6.15 Right or Wrong. 6.45 The Archers. 7.00 News Desk. 7.30 Down Your Way. 8.15 Mid-week Theatre. 9.00 A Choice of Paperbacks. 9.45 Two Minutes to Self-destruct: pollution of our language, talk. 9.59 Weather. 10.00 The World To-night. 10.45 Afrikaner to Zulu: part 3. 11.00 A Book at Bedtime. 11.15 Late News. 11.31 Market Trends.

Racing

Charlton for Ebor

by DARE WIGAN

THE Johnnie Walker Ebor Handicap run over 1¾ miles at York this afternoon (3.15) has attracted a field of high-class stayers, which is not surprising seeing that it is the most valuable handicap in the Racing Calendar.

Top weight of 9 st. 7 lb. will be carried by *Charlton* and there will be a mighty roar on Knavesmire if the Queen's colt is fighting it out in the closing stages. Certainly conditions underfoot will be to his liking, for in spite of yesterday's sunshine there will be plenty of "give" in the surface, and his performance when battling on to beat *Prince Consort* in the William Hill Gold Cup at Doncaster on July 17 was one of the bravest efforts of the season.

Favourite in the anti-post betting on the race has been *Celtic Cone*, and I have a vivid and pleasurable memory of his ploughing through the mud to win the Ascot Stakes by 10 lengths from last year's Cesarewitch winner, *Scoria*, with the remainder of the runners strung out in Indian file behind them.

If there should have been a freak thunderstorm in the district overnight, his chance, already a good one, would be improved enormously. *Russian Bank*, *Chiseldon* (with Lester Piggott in the saddle) and *Knotty Pine* will have their supporters, and lower down in the weights the eye pauses at *Cormine City* and Staff Ingham's improved three-year-old, *Crazy Rhythm*.

Cormine City showed that she was not averse to soft ground when finishing fourth behind *Hordbake* in the Bessborough Stakes at Royal Ascot, and this mare by *Charlottesville* has since won a handicap over 1½ miles at Brighton with 9 st 2 lbs in the saddle. She has also won over to-day's distance, and is not harshly treated with 7 st 11 lbs —neither, for that matter, is *Crazy Rhythm*, who will be ridden by the strong, lightweight jockey E. Johnson. In spite of his weight, I am hoping that *Charlton* will win for he is the "class" horse in the race. *Celtic Cone* and *Cormine City* are suggested as the principal dangers.

The Great Voltigeur Stakes (3.50) provides a full-scale rehearsal for next month's St. Leger, and here the issue is likely to concern *Athens Wood*, *Homeric* and *Selhurst* who took part in a close finish for the Gordon Stakes at Goodwood three weeks ago. On that occasion *Athens Wood* got home by half a length from *Selhurst*, with *Homeric* a neck away, third. Neither *Athens Wood* nor *Homeric* had run since finishing fifth and seventh behind *Mill Reef* in the Derby, when *Athens Wood* came out the better by two lengths. But at Goodwood, *Homeric* was attempting to give *Athens Wood* and *Selhurst* 5 lbs each, and, this being the case, Hern's colt has good prospects of reversing the placings with both of them.

Mr. David Robinson, who has so many good horses that he has no incentive to tolerate moderate performers, runs *Princely Song* in the Rous Selling Stakes (2.00), and this grey colt, by *Princely Gift*, who finished second to *Followfield* in a maiden race at Wolverhampton at the beginning of the month, has an obvious chance in this company. *Mezzanine*, an American-bred colt, was backed like a certainty on his first appearance on a race course at Ascot last month and was desperately unfortunate not to have won. He lost several lengths at the start, in spite of which he went under by only a narrow margin to *Shady Fellow*, who is thought to be useful. *Mezzanine* is a confident selection.

The last three races on to-day's York programme are handicaps, and none of them is easy to solve. However, *Levandale*, who defeated a strong field at Redcar the other day, has reasonable prospects in the Falmouth Stakes (4.25), a race he won last year with only 3 lbs. less in the saddle.

2.00—Princely Song
2.25—Mezzanine***
3.15—Charlton*
3.50—Homeric
4.25—Levandale
4.55—Royben
5.25—Scottish Rifle**

New Gazelle helicopter flies

THE first production (helicopter, built jointly by land Helicopters and Aeros under the Anglo-French co- tive helicopter programme flown for the first time at l nane, France.

Manufacture is shared o principle that each compon made either by Aérospatiale Westland, with a final ass line in each country. The fir craft from Westland's line l to fly in November.

Production plans for the G are based on the supply of 400 to the British and F Governments over the nex years, more than half bein the U.K. This fast five-seater copter is also expected to considerable appeal to the market.

POLLUTION RESEARCH RESULTS

The Department of the En ment yesterday published a mary of the results of exper tal work undertaken by the Pollution Research Laborato 1970.

This includes studies of effects of pollution on r estuaries and coastal water of methods for treating poll liquids.

Water Pollution Research. SO; £1.15.

هكذا من الأصل

Losey in London and Mexico

by MICHAEL WALE

It is eight years since *The* ..ervant brought Joe Losey's ..ame to a wider audience. Now ..e lives in casual opulence, ..tringly in the same square he ..ade the film, heading the ..esidents' Association fighting ..hange.

The Chelsea Drugstore, a stain..ss steel encased emporium, has ..eplaced the pub which the ..haracters in *The Servant* popped ..to to have a drink. Thomas ..rapper, by Appointment manu..acturers of royal sanitary ware, ..ave also gone.

It is typical of the man that ..so when he seeks rest in a ... he should have ..suffer. He is the sort of man, ..ne feels, who, after a hard day's ..ork, settles into his armchair to ..ad the evening paper, only to ..ave the 'phone ring and bring ... to his feet almost im..ediately.

The craggy face, the sad eyes, ..e slightly stooped shoulders ..d the shuffling feet have ..attled their way for years ..rough a succession of obstacles ..hich would have put paid to ..en of lesser faith in their work. "It must temper you, otherwise ..would break you," he admits ..ith a wry smile, settling back ..a vast long sofa, downstairs ..the modernised basement. He ..rvived the McCarthy witch..nt of Hollywood which meant .. get his films on the screen, he ..d to use other names; helped ..ange the look of a reluctant ..itish cinemas, and now searches ..r ways to reorganise that same ..ling industry.

When we met, he had just ..ned a petition by film directors ..king Lord Eccles, Minister for ..ts, to reconsider his decision .. cut the amount of Govern..ent aid to the film-backing ..ational Film Finance Corpora..on: "If they don't keep the ..oney at the same level, I don't ..ink they'll have a British film ..dustry," he says.

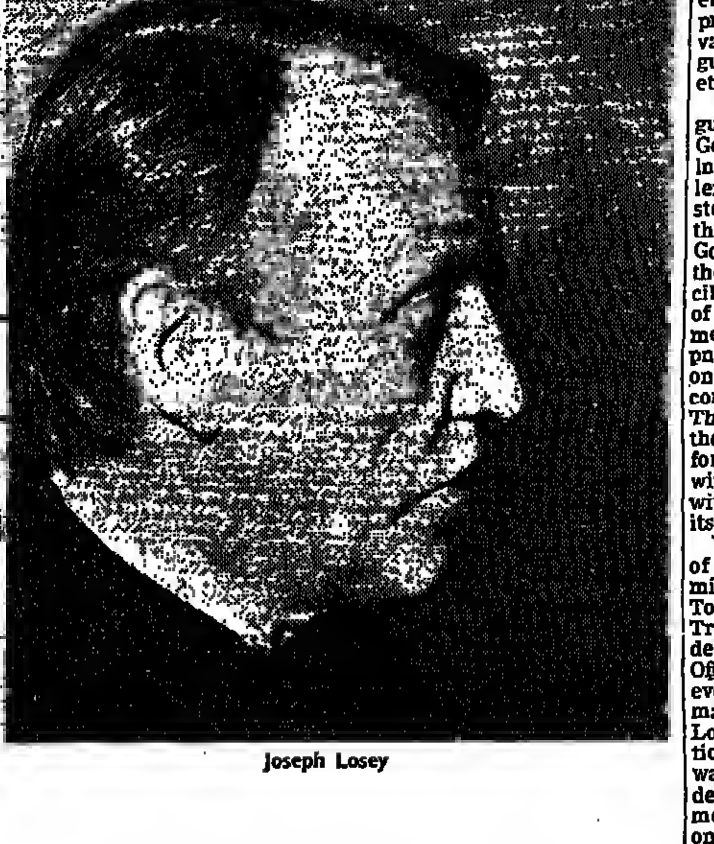
His latest film, Harold Pinter's ..aptation of L. P. Hartley's *The ..-Between*, will be seen here .. the autumn. The major prize..nner at Cannes, even this film ..d not have a smooth progress. ..ow Losey is in Rome starting ..ork on a film about Trotsky with Burton in the title role. "I was praying this picture could be put off till next year. I've not had sufficient rest, but there you are. I've never thought of doing anything about Trotsky until this project was brought to me last November. It's a particularly worrying project. While I was in Mexico, I met several people who knew him and practically everyone had a different version you want to bring out. I think if I had known as much as I know now about the Trotsky story, I would have told it differently."

The script is by Nicholas Mosley, who wrote the novel *Accident*, adapted into a screenplay for Losey's direction by Harold Pinter. It will be made in Rome and Mexico. Losey wanted to make the whole film in Mexico where Trotsky ended his days, but the inevitable film politics combined to stop this wish.

Losey started his career as a director in the American theatre. "I did *Galileo*, which was a play with music, and I did a certain amount of cabaret during the war in something called The Lunch Hour Follies." Now he plans his first musical, first on the stage and then to be filmed. "I have a project with Michel Legrand (who has written, among other things, the scores to the films *Les Parapluies de Cherbourg* and *Les Demoiselles de Rochefort*). He has done two scores, which were quite different. I can't say what sort of musical we will make, but it will be a new type with a script by Harold. I started to do a project with John Barry based on *Brighton Rock* which came to grief."

Nowadays when he makes a film he has a special clause inserted in the contract: "It permits me to take my name off it." ... There's a pause. Then Losey says philosophically: "There's no way of stopping a company mishandling a film. Putting it out at the wrong time."

It is spoken with the air of a man who has seen and weathered all storms.



Joseph Losey

Royal Ballet on tour

..he Royal Ballet are touring ..gland for nine weeks during .. autumn. They open on ..esday, October 12, with a ..o-week season at the Wimble..n Theatre, and then appear .. a week at the Pavilion ..eatre, Bournemouth, the Con..ess Theatre, Eastbourne, the ..exandra Theatre, Birmingham, ..e Grand Theatre, Leeds, the ..eatre Royal, Newcastle, the ..era House, Manchester and the ..eatre Royal, Nottingham.

After recently mounting works by Jerome Robbins, Glen Tetley and Joe Layton, the Royal Ballet are now taking into their repertory two ballets by another American choreographer, Herbert Ross. *Caprichos*, which is danced to music by Bartok, is based on Goya's etchings; *The Maids*, which is danced to music by Milhaud, is based on the play *Les Bonnes* by Genet. (The latter will be performed only in Wimbledon.)

Jill Bennett and Ralph Richardson in John Osborne's "West of Suez," which had its world premiere at the Royal Court last night

Albert Hall

Mahler's Third

by DOMINIC GILL

Haitink is one of our finest Mahler conductors—and he is also one of our most uneven. One day his performance will take seemingly effortless shape, as if driven by some inner motor force; expand, explode into light. Another day it will limp home, leaving some brave signs on the way, but struggling for air, its first impetus lost. His account of Mahler's third symphony at Monday's Prom went to neither of these extremes: but it was all the same more failure than success.

As ever, the lines which Haitink drew from the LPO were clean-cut, the sonorities very clear; the larger counterpoints were finely dovetailed—and the orchestra's response to him (even if it was not always very tidy: why so much untidy playing at the Proms this year?) was at least quick and keen. But there was also a kind of dullness to this performance which cut across its many virtues. The music was unfolded without that last degree of passionate, uninhibited involvement to set it up triumphant and whole: the symphony's most meaningful things were so often passed off almost casually—a full-blown phrase here cut off at its prime, an offhand gesture there, and a page, or a movement, was blunted.

After the first movement, the spirit did improve. The minuet was delicately and suggestively patterned—and the scherzo, too—though what came after the post-horn episode was rather plainly done, a jolly carnival outburst rather at odds with Mahler's Dionysian jungle frenzy. Nor was Norma Procter her usual reliable self in the *misterioso* slow movement: her Nietzsche solo sounded strained, her top notes forced. The boys from Wandsworth School made a good band of happy, cheeky angels: in their movement Haitink relaxed, smiled, and gave way—here more than anywhere he showed fine, expressive control. The finale was slow and hushed—but less than conclusive. Not enough had gone before, perhaps, on which to set its seal.

Scottish National Orchestra Plans

The Scottish National Orchestra is celebrating its 21st birthday this year and during the 1971/72 season the Orchestra will be touring in Austria, Germany, and Switzerland, will be playing for Scottish Opera's Ring Cycle, and visiting the Royal Festival Hall. In its absence six guest orchestras will be appearing in Scotland: the Royal Philharmonic under Rudolf Kempe, the New Philharmonia under Lorin Maazel, the Menuhin Festival Orchestra, the English Chamber Orchestra under Radu Lupu, the BBC Scottish Symphony Orchestra under its newly appointed conductor Christopher Seaman, and the London Symphony Wind Ensemble under the direction of its founder Gervase de Peyer.

A majority of the SNO's own concerts will be conducted by Alexander Gibson, the Orchestra's Musical Director and Principal Conductor, and by Gary Bertini, its Principal Guest Conductor. Other guest conductors will be Sir Adrian Boult, Charles Groves, Edo de Waart, and Sir William Walton, who will be celebrating his 70th birthday in 1972.

Among the many international guest artists will be Vladimir Ashkenazy, Alfred Brendel, Thomas Hemsley, Rafael Orozco, Manoug Parikian, Elaine Skorodin, Irmgard Seefried, Walter Trampler and Tamas Vasary. Radu Lupu and Arthur Lima, first and third prize-winners at the 1969 Leeds International Competition, will both be appearing for the first time in the SNO's main season, as will John Lill, joint first prize-winner of the 1970 Tchaikovsky Competition in Moscow, in which Arthur Lima was also a prize-winner.

The 1971-72 programmes feature a continuing survey of Bartok's music and a tribute to Igor Stravinsky, including his *Symphony of Psalms* with the SNO Chorus, the Firebird Suite, the *Fairy's Kiss* and *Apollon Musagète*.

Scottish composers will be represented by Iain Hamilton, whose Violin Concerto the SNO will be recording for EMI, David Dorward and John Purser; English composers by Walton, Delius, Elgar, Holst and Vaughan Williams, whose London Symphony Alexander Gibson will conduct as a tribute to the memory of the composer in the year of the centenary of his birth.

The orchestra's season opens in Edinburgh on Friday, October 1, with a special concert celebrating its 21 years' contribution to the musical life of the capital.

Television

Watchdog for the box

by T. C. WORSLEY

The pressure for the appointment for Broadcasting of some sort of equivalent of the Press Council grows. Mr. Wedgwood Benn seeks to make it Labour Party policy. Before we make up our minds let us remind ourselves of what checks and balances there are within the present *system for achieving* the same end. After all, the Press Council is a body which seeks to ensure that the highest possible professional standards shall prevail within the industry: it is the guardian of its professional ethics.

The BBC has just such a guardian already in its Board of Governors. Those who are pushing for a Press Council equivalent dismiss this body as a mere stooge of the BBC itself. But this is not a tenable view. The Governors are appointed not by the BBC but the Queen in Council, that is by the Government of the day. The Governors are men and women distinguished in public life who have (except for one, Sir Hugh Greene) no direct connection with broadcasting. *They are laymen*, watchdogs there to see that the BBC performs its functions in accordance with its charter and in accord with the high standards it has set itself.

Whatever you think of them or of the set-up, it is absurd to dismiss them as mere puppets. Mr. Tom Jackson the Post Office Trade Union leader abundantly demonstrated during the Post Office strike that he wasn't, whatever else he was, an Establishment mouth-piece. The late Lord Constantine (whose position will now have to be filled) was a man of character and decision. I can think of a body more representative of variety in our national life than the present Governors taken as a whole: but this is the fault not of the BBC, but of the last Government which appointed most of them.

The BBC also has another watchdog committee, its Advisory Council, a body of some 50 people representing a wide variety of life, stretching from Lord Butler to John Mortimer, from Vic Feather to Moira Shearer, from Major General Sir Randle-Failden to John Schlesinger. These are, it is true, appointed by the BBC, but I doubt if any of them would regard themselves as BBC stooges. The BBC's annual report for last year tells us that their meetings—attended by the Governors and their chairman and the Board of Management—discussed among other things the BBC's handling of student unrest, children's television, the portrayal of violence and the coverage of the 1970 election.

How much direct influence these two bodies have on BBC policy, only someone who was a member could tell us. But I think we may assume that they have some. If, for instance, Mr. Tom Jackson thought that the BBC was behaving improperly in its general handling of politics, his resignation from the Board of Governors could be attended with a great deal of unwelcome publicity.

It seems clear to me that the BBC already has in its constitutional arrangements the equivalent in one respect of the Press Council—it has, that is to say, a body which is there to see that the highest possible professional standards shall prevail. And, as far as the Governors are concerned, it has one advantage over the Press Council in that its members are appointed from the outside by the *Government* of the day, whereas the Press Council is a body appointed by the newspaper industry itself: 20 of its member are nominees of the various branches of the industry and there are only six lay members including the High Court judge who presides.

The objection to the present set-up by the critics is that whatever *influence the Governors or* the Advisory Council may have, their business is conducted in secret not in public, and a complainant about some aspect of broadcasting has no means of knowing whether or not his complaint has been properly considered and adequately discussed. Anyone with a grievance against the Press can complain to the Press Council, and if the Council considers the complaint justified, it examines it and reports publicly on its findings. And those newspapers which are members of the Press Council are in honour bound to report those proceedings, and the more so that particular newspaper or journal which has been accused of unprofessional conduct.

What Mr. Wedgwood Benn and those who think like him want, I take it, is not so much a direct imitation of the Press Council as such (which would mean a body self-appointed by the Broadcasting Interests), but rather some way of ensuring that complaints can be laid against the broadcasters, that they will be independently investigated and the report on them made public. It wants some kind of impartial Ombudsmen.

Two obvious difficulties arise here. First Broadcasting is unlike the Press in that it has no editorial stance, whereas each newspaper has its own and criticises accordingly. The Press Council does not have to adjudicate about political impartiality: on the contrary the laws *of libel set* the only limit there is on the kind of criticism which newspapers can level against politicians or anyone else. A Broadcasting Council would have the very difficult and delicate task of pronouncing between rival claims of bias, and there would be a great danger that its effect would be emasculating. To avoid being publicly hauled up in front of it the broadcasters might well retreat into an uncreative negativity.

The danger of emasculation is no less acute in the more general sphere of morals and good taste. Newspapers and journals are *after* all *individual* productions addressed to specialised audiences. But the broadcasting audience is undifferentiated, and when society is as fragmented as it is at the moment, it is, once again, difficult to imagine a Council which could accommodate, and satisfy, so many different levels of judgment and sophistication. It would have to hold the balance between Mrs. Whitehouse and the Bishop of Woolwich, or between Lord Longford and the editors of Oz.

And if it were to satisfy all parties wouldn't that mean that all efforts to extend the boundaries by the broadcasters would be *stifled* before birth? The one thing that is safe is pap and broadcasting might too easily become even more of a pap machine that it is at present.

This seems to me a real and ever-present danger. I cannot help wondering whether *Till Death do us Part* or the satire shows or half the Wednesday plays or even *Z-Cars* as originally written ("undermining the morale of the police force") would have got past a Broadcasting Council. And if some of these programmes were indeed offensive in some of their detail, we ought to recognise that their influence has been healthy, productive and creative. Pushing out the boundaries of taste and acceptability has opened the way to experiment and innovation. We want more of this, not less. Of course there are dangers, as there are everywhere in life. But nothing important is ever achieved without risk.

If a Broadcasting Council could confine itself to such complaints as invasion of privacy or actual misrepresentation I should be all for it. What I—*and I hope* a great many other people—would not want was yet another form of censorship busybodying itself with protecting us from every conceivable contamination.

..ew York Art

Pol Bury

by DON McDONAGH

While movement *is* the ..sence of Pol Bury's sculpture ..ich looks rather dull in repose, .. is movement of a highly ..ecial sort. Bury *acknowledges* .. broad influence of Calder on .. work but has not chosen to ..itate the kinetic energy of ..lder's early mechanical whizz.. pieces nor his later drifting ..biles. He opted instead for ..oulating, the more subtle and ..perceptible motion one asso..tes with plants and ever ..anging natural phenomena in ..eneral. An overview of one of .. sculptures yields up the in..rmation that parts are indeed changing and altering relations but detailed staring at any one section is ordinarily quite unrewarding since the field of action is all important and the individual parts are of relatively little consequence.

During the painting phase of his career, which he abandoned almost totally in 1953, Bury was under the influence of a cubist treatment of objects and when he elected to work full time in sculpture he embraced the surrealist's use of the barren plane and *mystery* but retained the cube, ball and cylinder as his operative forms. The surrealist "mystery" at times has a certain menace, but more often *than nor* it is simply fascinating strangeness. The movements of his pieces have a biological smallness and self containment. His pieces do not appear to reach out to the viewer with their con*cerns* but their apparent disinterest intimates a secret order somewhere beyond one's own accustomed sense of organisation.

The Solomon R. Guggenheim Museum's recent show, Bury's *first major* museum exhibition in New York, was only one part of a four-pronged assault upon the city which found some recent sculptures at the *Lefebre Gallery*, graphics at the Weintraub Gallery and an enterprising display of jewellery at Cartier's. The graphic work *involving* series of paper cut outs of identical shapes splayed slightly over one another are pretty, with little profundity and the cut up photographs remind one of the jigs and wiggles that Marin made city structures go through in his watercolours.

Bury's method *is* to take a standard photograph of a building or bridge and at selected points incise circular cuts in it. Then, after rotating each concentric circle, the displaced image is rephotographed. By this means he can make a large monolith like the Pan Am building shimmy like your sister Kate or induce vertigo from the swayed cables of a suspension bridge. It's essentially fun which adds little to the cubist space handling except to give a look of *agitated frozen* motion to the subject but is a distinct step down *from* the suavity of the sculpture.

At the beginning of the decade of the 'sixties Bury tended to work with the cube, cylinder and sphere *in* wood and leave them relatively uninflected but most recently has cut or pinched these basic forms and has tended to work in metal. Technically the difference has allowed him to use magnetism as a propelling force for his pieces where previously the motive energy was supplied by slow turning motors activating strings and little hidden pulleys.

The natural warmth of the wooden sculptures was also emphasised in the gentleness of the movement which for the most part had a pulse or an ebb and flow as contrasted to the lurch and stagger of the most recent metal pieces. Some of Bury's titles have an unexpected anecdotal thrust despite their usually rigorous descriptive appearance. He generally favours such nomenclature as *Upright Cylinders, 6 Cubes and 18 Balls* or *9 Balls on 5 Planes*, but *occasionally as in 1914 White Points* he suggests something more.

The piece consists of that number of painted dots on the ends of a dense clump of tangled plastic lines, each of which pokes up through a brown earth-coloured board. A slight chattering sound is heard *from* the piece in contrast to the smooth silence which is the normal functioning of his wooden works and random lines, giving the impression of an agitated mass being plucked by an unseen hand. Read as a date the title conjures up the contentions of Flander's Fields where thousands jogged to an impersonal end.

The tonality of Bury's best work though is a soft spoken *paean of* admiration and wonder at unseen and baffling forces which operate in the natural world doing their work with calm indifference. The works for the most part dwell below the moral order at a more primitive level of sheer existence where operations replace judgments. It could be a cold chilling world but Bury's forms are not bent on aggression, merely the completion of their own tiny trajectories, allowing others with a larger scope to read what they *can from the interplay*.

Pol Bury's "The Staircase," wood with motor (1965)

ENTERTAINMENT GUIDE

OPERA AND BALLET

COLISEUM. Sadler's Wells OPERA. Tonight at 7.30. **KISS ME, KATE** Thurs. & Sat. at 7.30. **THE SERAGLIO** Fri. & Tues. next at 6.30. **LOHENGRIN** N.B. CHANGE OF REP. Sat. The Seraglio. (836 3161).

ROYAL FESTIVAL HALL. (928 3191) LONDON FESTIVAL BALLET Season Tues. next to Sept. 18. Evgs. 7.30. Mat. Sats. 3. Aug. 24 to 28 and Sept. 6 to 11 **THE SLEEPING BEAUTY** Aug. 30 to Sept. 4: BEAU DANUBE. GISELLE. Tickets: 50p to £1.75.

SADLER'S WELLS THEATRE, Rosebery Ave., E.C.1. (837 1672.) Last week of **CHITRASENA DANCE COMPANY OF CEYLON** Evs. 7.30. Sat. 2.30. 30p to £1.80. Aug. 23 to Sept. 4 BLACK THEATRE OF PRAGUE in 'Diluvium' & 'Festival.'

THEATRES

WHEN DIALLING THE BOX OFFICE FROM OUTSIDE THE LONDON AREA DIAL PREFIX 01

ADELPHI. 836 7611. Evenings 7.30. Mats. Thur. at 3.0. Sats. at 4.0. THE MUSICAL OF A LIFETIME **SHOW BOAT** With the Immortal Songs of KERN & HAMMERSTEIN

ALDWYCH. 836 6404. RSC's 1971-72 London Season Maxim Gorky's ENEMIES (Today 2.30 & 7.30, tomorrow Mon., Tues. 7.30) A MIDSUMMER NIGHT'S DREAM (Fri. 7.30, Sat. 2.30 & 7.30—all seats sold) Harold Pinter's OLD TIMES (Aug. 27, 28 m&e).

AMBASSADOR'S. 836 1171. Ev. 8. Mat. Tues. 2.45. Sats. 5 & 8. Agatha Christie's **THE MOUSETRAP** NINETEENTH BREATHTAKING YEAR.

APOLLO. 437 2663. Evenings 8.0. Fri. and Sats. 5.30 and 8.30. "FUNNIEST PLAY IN TOWN." D. Tel. **FORGET-ME-NOT LANE** By PETER NICHOLS

CAMBRIDGE THEATRE. 836 6056. Evenings 7.0. Sats. at 1.0. and 7.15. Faith Brook. John Woodvine **IAN McKELLEN as HAMLET** "The Hamlet I've been waiting to see." D. Mi. "Certainly not to be missed." F.T.

CHICHESTER. Tel. 0243 86333. Tonight and Aug. 19 at 7.0. Aug. 21 at 2.0 CAESAR AND CLEOPATRA Aug. 18 at 2.0 Aug. 20, 21 at 7.0 REUNION IN VIENNA

COMEDY. 930 2578. 8.15. Sat. 6.0 and 8.40. Mats. Wed. 2.30 reduced prices (25p to £1). Charles Tingwell, Gay Singleton, Richard Coleman in 6th GREAT YEAR of Terence Frisby's **THERE'S A GIRL IN MY SOUP** LONGEST RUNNING COMEDY HIT OF ALL TIME.

CRITERION. 930 3216. Air conditioned Mon. to Fri. at 8. Sats. 5.15 and 8.30. **ALAN BATES in BUTLEY** by Simon Gray. Dir. by Harold Pinter. "A BRILLIANT PLAY—ONE OF THE DELIGHTS OF THE YEAR." E. Standard.

DRURY LANE. 836 8108. Evgs. 7.30. Mats. Wed. and Sat. 2.30. "A SUMPTUOUS MUSICAL." D. Tel. **THE GREAT WALTZ** A MUSICAL ROMANCE on the life of JOHANN STRAUSS. "HUGELY ENJOYABLE." Sunday Times. REDUCED PRICE MAT. TODAY 2.30.

DUCHESS. 836 8243. Evenings 8.30. Fridays and Saturdays at 6.15 and 8.30. **"The Dirtiest Show in Town"** "Makes OH! CALCUTTA! SEEM LIKE 'LITTLE WOMEN' and IT'S FUNNIER THAN BOTH." N.Y. Times.

DUKE OF YORK'S. 836 5122. 8.15. Sat. 5.45, 8.45. Thur. 2.45 (Red. prices) WILFRID HYDE WHITE ROBERT COOTE, GEOFFREY SUMNER, GRIFFITH JONES, WENSLEY PITHEY in **THE JOCKEY CLUB STAKES** A new comedy by William Douglas-Home. "HILARIOUS." LAST 5 WEEKS.

FORTUNE. 836 2238. Evenings 8.0. Mats. Thur. 2.45. Sat. 5.30. 8.30. **LOOK, NO HANDS!** I LAUGHED LOUD & LONG.—S. Times.

GARRICK. 836 4601. Mon. to Thur. 8.0. Friday and Saturday 5.30 and 8.30. Paul Daneman "Very funny." S. Times. In HILARIOUS Sexy Comedy **DON'T START WITHOUT ME**

GLOBE. 437 1592. Evenings only 7.30. **ALAN BADEL as KEAN** A Comedy by Jean Paul Sartre. Hilarious Comedy . . . acting sensation. Sk.

HAYMARKET. 930 9832. Evenings 8.0. Mats. Wed. 2.30. Sats. 5.0 and 8.15. ALEC GUINNESS. JEREMY BRETT in **A voyage Round My Father** by JOHN MORTIMER

HER MAJESTY'S. 930 6606. Evgs. 7.30. Mats. Wed. and Sat. 2.30 (red. prices). BARRY MARTIN in **FIDDLER ON THE ROOF** Also starring Stella Moray. 5th Year.

THEATRES

LYRIC. 437 3686. 8.0 Sat. 5.30. 8.30. Mats. Wed. 3.0 reduced prices. ROBERT MORLEY MARY MILLER and JAN HOLDEN in **HOW THE OTHER HALF LOVES** The new comedy by Alan Ayckbourn, author of "Relatively Speaking." "VERY, VERY FUNNY." Standard. NOW IN ITS SECOND YEAR.

MAY FAIR. 629 3036. 8.15. St. 6.15 8.45 GEORGE COLE IN THE BEST COMEDY OF THE YEAR. Evg. Standard Award. **THE PHILANTHROPIST** by Christopher Hampton. BEST PLAY OF THE YEAR. Plays and Players Award.

MERMAID. 248 7656. Rest. 248 2835. Eves. 8.15. Mat. Th. & Sat. 5.0. MICHAEL REDGRAVE in THE OLD BOYS by William Trevor.

NEW THEATRE. 836 3878. **THE NATIONAL THEATRE** Evgs. 7.30. Mats. Thur. & Sat. at 3. Until Sat.: DANTON'S DEATH. "A triumph for Christopher Plummer." Aug. 24 to 31: AMPHITRYON 38. "Christopher Plummer—an actor of massive presence." 'Geraldine McEwan—the zenith of her career.'

OLD VIC. 928 7616. Aug. 24 to 28. THE OCTAGON THEATRE BOLTON in THE FATHER

OPEN AIR, Regent's Park. 486 2431. A MIDSUMMER NIGHT'S DREAM. 7.45. Mat. Wed., Th., Sat. 2.30. Lst wk.

PALACE. 437 6834. Mon. to Thur. 8.0. Fri. and Sat. 5.30 and 8.30. 2nd YEAR **DANNY LA RUE** AT THE PALACE WITH ROY HUDD

PALLADIUM 437 7373. Ntly. 6.15, 8.45 Matinee Sat. 2.40. "To See Such Fun." TOMMY COOPER, CLIVE DUNN, ANITA HARRIS, RUSS CONWAY Children ½ price at doors. Sat. 2.40. "It's a £75,000 show and looks it." S.M. Dec. 21 CINDERELLA. Now booking.

PHOENIX. 836 8611. Mon. to Thur. 8.0. Fri. and Sat. 6.15 (25p-140p) and 8.30 4th year of Smash-hit Musical **CANTERBURY TALES** "A GREAT NIGHT OUT." Daily Mirror.

PICCADILLY. 437 4506. Evs. at 7.45. Mat. Wed. and Sat. 2.30. JUDY PARFITT, MARGARET TYZACK **VIVAT! VIVAT REGINA!** By Robert Bolt with MARK DIGNAM.

PRINCE OF WALES. 930 8681. Evgs. 8.0. Fri. & Sat. 6.0 & 8.50. THE BIGGEST PLAY IN LONDON **THE AVENGERS** "Lively, bizarre, funny and completely outrageous"—Harold Hobson, S. Times.

QUEEN'S. 734 1166. Last Week. Evgs. 8.0. Sat. 6.0 & 8.40. Wed. 3.0. "LOTS OF FUN." People. **THE PATRICK PEARSE MOTEL** "FUNNIEST SHOW IN TOWN." Obs.

QUEEN'S. 734 1166. Open Thurs. Aug. 25 at 7.30 WARREN MITCHELL in **JUMP** An Hilarious New Comedy Previews Aug. 24 & 25 at 8.0.

ROYAL COURT. 730 1745 Evenings 8.0. Saturday 5.0 and 8.30. RALPH RICHARDSON, JILL BENNETT in JOHN OSBORNE'S New Play **WEST OF SUEZ**

ROYALTY. 405 8004. Mon., Tues., Thur., Fri. 8, Wed., Sat. 6.15, 9. Adults only. SECOND FANTASTIC YEAR **OH! CALCUTTA!** "AMAZING AND AMUSING." D. Exp. "THE NUDITY IS STUNNING." D. Tel. "BREATHTAKINGLY BEAUTIFUL." S.Tm

SAVOY. 836 8888. 8.0. Sats. 5.0 and 8.0 Wed. 2.30. 3rd Year. Jeremy HAWK. Muriel PAVLOW in W. D. HOME'S Greatest-ever Comedy Success **THE SECRETARY BIRD**

SHAFTESBURY THEATRE. (836 6596.) **"HAIR"** Mon. to Thur. 8.0. Fri., Sat. 5.30, 8.40. "MAGNIFICENT. IRRESISTIBLE." Pple. Few good seats available Fri. 1st House.

STRAND. 836 2660. Evs. 8.0. Sat. 5.45. and 8.30. (Thur. 3.0 reduced prices.) MICHAEL CRAWFORD LINDA THORSON TONY VALENTINE & EVELYN LAYE in **"No Sex Please, We're British"** "HYSTERICALLY FUNNY." Sun. Times.

ST. MARTIN'S. 836 1443. Evs. 8.0. Sat. 5 & 8.30. Mat. Wed. 2.45 (red. prices) MARIUS GORING. JOHN FRASER in **SLEUTH** Now in its Second Thrilling Year "Best for years." Evg. News.

TALK OF THE TOWN. 734 5051. Fully Air Con. 8.15. Dng. & Dncg. 9.30 Revue TONIGHT'S THE NIGHT & at 11 p.m. THE NEW SEEKERS. Opens Mon. next. **LOVELACE WATKINS**

VAUDEVILLE. 836 9988. Evgs. 8. Mat. Tues. 2.45. Sats. 5 and 8. MOIRA LISTER TONY BRITTON LANA MORRIS. TERENCE ALEXANDER AND CICELY COURTNEIDGE **MOVE OVER MRS. MARKHAM** "SO FUNNY IS THIS THAT IT HURTS." Punch. "WILDLY FUNNY." Sketch.

VICTORIA PALACE. 834 1317. Nightly 6.15 and 8.45. £100,000 Spectacular Production of THE BLACK AND WHITE MINSTREL SHOW **MAGIC OF THE MINSTRELS**

THEATRES

WHITEHALL. 930 6692, 7765. London Theatre of Adult Entertainment. Mon. Tu. Thurs. Fri. 8.30. Wd. 6.15 8.45. St. 7.30 & 10. London's Controversial Sex Comedy **PYJAMA TOPS** "More sexually arousing than Oh! Calcutta!" Sheff. Tel. 2nd Great Year.

WYNDHAM'S. 836 3028. Mon. to Fri. 7.45. Sat. 5 and 8.15. Mat. Thur. 2.45. CORIN REDGRAVE. CIARAN MADDEN **ABELARD & HELOISE** "Ronald Millar's very fine play." Sunday Times. "A vivid, mind-stretching experience." Daily Telegraph.

CINEMAS

ABC 1, Shaftesbury Avenue. 836 8861. Richard Burton is THE VILLAIN (X). 2 p.m., 5 p.m., 8 p.m. Bookable.

ABC 2, Shaftesbury Avenue. 836 8861. TALES OF BEATRIX POTTER (U). 2 p.m., 5 p.m., 8 p.m. Bookable.

ASTORIA, Charing Cross Road. (580 9562.) THE HORSEMEN (AA). Sep. progs. 2.30, 6.0. Bookable.

CARLTON. 930 3711. MAKING IT (X). Progs. 1.5, 2.50, [illegible]

CLASSIC, Baker Street. 935 [illegible]. Walt Disney's FANTASIA (U).

COLUMBIA. (734 5414.) WATERLOO (U). Sep. progs. 2.30, 5.45, 8.30. Bookable.

CURZON, Curzon St. 499 3737. Fully air-cond. LAST [illegible] CLAIRE'S KNEE. [illegible]

DOMINION, Tottenham Court Road. (580 9562.) ON A CLEAR DAY YOU CAN SEE FOREVER (U). [illegible] 7.45. Sun. 4.00 [illegible] 11.45. Bookable.

EMPIRE, Leic. Sq. (437 1234.) David Lean's RYAN'S DAUGHTER (AA). 2.25, 7.25. Late show [illegible]. Bookable.

LEICESTER SQ. THEATRE. (930 5252.) SUNDAY BLOODY SUNDAY (X). Glenda Jackson, Peter Finch, [illegible] progs. 2.30, 5.15, 8.05. Late show [illegible].

MERMAID THEATRE. 248 7656. Children's International Film Festival. Daily 10.30 & 2.30.

ODEON, Haymarket. [illegible] THE MUSIC LOVERS [illegible] Chamberlain, Glenda Jackson. [illegible] Bkble. 2.00, 5.15, [illegible] Late show Sat. 11 [illegible]

ODEON, Leicester Square. [illegible] VANISHING POINT [illegible] 2.00, 3.40, 5.00, [illegible] 8.20. Late show [illegible]

ODEON, Marble Arch. [illegible] McQueen in LE MANS [illegible] Sep. progs. Mon. [illegible] 1.00, 4.25, 8.15. [illegible] seats may be booked [illegible]

ODEON, St. Martin's Lane. [illegible] THE ANDROMEDA STRAIN [illegible] progs. 2.15, 5.0, [illegible] Late Show Sat. 1[illegible] 2.45, 5.30, 8.15.

PARAMOUNT, Lower Regent St. [illegible] Ali McGraw Ryan O'Neal [illegible] (AA). Progs. [illegible] Late Show Fri. and [illegible] 4.20, 6.30, 8.40.

PLAZA, Lower Regent Street. [illegible] DIARY OF A MAD HOUSEWIFE (X). Richard Benjamin, [illegible] Snodgress. Progs. [illegible] Late Show Sat. 11 [illegible]

PRINCE CHARLES, Leic. Sq. [illegible] Ned Sherrin's [illegible] STROKE'BOY (X) [illegible] to Sat. 1.00, 2.3[illegible]

RIALTO. 437 3488. [illegible] GIMME SHELTER [illegible] 4.30, 6.30, 8.35. [illegible] 11.20.

RITZ, Leic. Sq. 437 [illegible] KELLY'S HEROES [illegible] 8.0. Late Fri., S[illegible]

STUDIO ONE. Oxf. [illegible] WATER WHITE [illegible] 12.50, 3.15, 5.45, [illegible]

WARNER RENDEZVOUS [illegible] THE DEVILS [illegible] PERFORMANCES [illegible] 5.10, 8.40. Late [illegible] p.m. Suns. 3.30 [illegible] WILL BE ADMITTED [illegible] STARTS. Normal [illegible] bookable.

WARNER WEST END. [illegible] SUMMER OF '42 [illegible] 5.20, 8.40. Late [illegible]

ART GALLERIES

AGNEW GALLERY, 43, Old Bond Street, W.1. 629 5176. [illegible] Master Paintings [illegible] 10th September. [illegible]

KAPLAN GALLERY, [illegible] James's, S.W.1. French Impressionist and post Impressionist paintings. [illegible] 10-6.

NORDLAND GALLERIES. [illegible] Oil Paintings for [illegible] ment No. 1, Montpelier Street, London S.W.1. 01-589 1890.

W. N. PATTERSON, [illegible] W.1. 629 [illegible] KOEKKOEK AND THEIR CONTEMPORARIES. Until [illegible] 9.30-5.0 Sats 10-12.30.

CLUBS

EVE, All-in Dinner [illegible] Lavish Floorshows [illegible] 1.0. 01-734 0557. 189, Regent St., W.1.

MURRAY'S CABARET [illegible] World renowned [illegible] 1.15. Ger. 4623. Beak St., W.1.

Farming and Raw Materials

Commodity prices ease in quiet trading

BY ROBIN REEVES, COMMODITIES EDITOR

COMMODITY prices in London tended to drift lower yesterday in generally subdued trading conditions as markets waited on new moves in the currency crisis.

On Monday, prices in many markets moved higher — a reaction which has become automatic in times of currency crisis. However, by yesterday dealers and traders were beginning to realise that the outcome could conceivably be a *de facto* revaluation of sterling against the dollar, in which case there was reason for sterling commodity prices moving lower.

Gold fixing

Another factor suggested as having a dampening effect on markets was the surprise fixing of the London gold price at what was construed in some quarters as the low price of $43.05 an ounce. This compares with the afternoon fixing on Friday August 13 of $43.00 an ounce.

Certainly the gold fixing was quoted as a reason for the afternoon decline in silver prices. Silver was fixed 0.3p an ounce lower for all delivery positions by the bullion market in the morning. But with fresh selling during the afternoon, the spot price had eased a further 0.5p to 66p an ounce. Three months delivery silver was fixed at 67.7p, but during afternoon dealings on the London Metal Exchange it was traded down to 67.0p an ounce.

The LME base-metal markets remained in a very quiet, uncertain mood. With the foreign exchange markets and Comex (the New York metals market) staying closed, business was minimal. Even news that strikes in Chile have spread to all five nationalised copper mines failed to spark interest. Cash copper wirebars ended the day £2.50 lower at £455.25 a metric ton. Cash tin was only 50p down at £1,420 a ton while cash lead fell a further 75p to £107 a ton and zinc gained some ground to close at £134.25 a ton.

Apart from the general lack of guidelines in the metal and other markets, clarification is still awaited on items to be subject to the 10 per cent. import surcharge. On the fact of it, only lead, zinc and silver among the metals are likely to be affected. But then if there are to be exceptions, as is thought, these items could be excluded.

By normal standards, cocoa was the star performer of the day. In a busy day's trading, values registered losses of £5.5 to £8 a ton. The December delivery contract closed at £248.75 a ton, £7 down on the day.

Pressures

The decline was put down to speculative and chartist selling, but it also illustrated one of the difficulties of the present situation. In the absence of an active trade in physical cocoa because of the closure of foreign exchange markets, the futures market is left without a physical guide and is far more prone to speculative pressures.

Coffee prices, too, came under pressure, ending £3 to £5 lower. As with sugar, the view taken, at least yesterday, was that it was better to sell where possible in a sterling market, purchases being made in a dollar market.

The London daily sugar price was left unchanged at £43.50 a ton. Terminal market values ended the day marginally lower. Rubber erased most the gains registered on Monday, with spot RSS No. 1 grade closing at 14.35p a kilo, 0.2p down on the day. The wool market remained dormant.

Change in pricing of hops

By Godfrey Brown

A RADICAL change in the method of pricing hops—one of the most specialised but also one of the most profitable of farm crops—has been devised, and will apply to the coming harvest, the Hops Marketing Board yesterday told its 510 registered growers.

Price differentials between hop varieties and first and second grades are to be agreed before the harvest, instead of after hop picking is over, as has been the practice in the past. The move has been made at the brewers' request and will help them in their buying decisions while also being a guide to growers, the Board said.

Prices will be determined by reference to a base price with variations up or down according to grade and variety. Alpha acid content, which provides the bitter of the beer, will also be taken into account together with physical management or husbandry of the crop, in valuing the higher alpha hop varieties such as Northern Brewer, Bullion and Keyworths OR55.

Growers have been told the brewers are becoming more and more concerned to get good quality, well-picked hops. To encourage growers to present the maximum quantity of hops that come within the range of grades one and two, the price differential between grade two and the lower grades will be materially widened.

Malaysian oil palm project

SINGAPORE, August 17.

THE chairman of Central Oil Palm Industries said here to-day that 162 acres of the old uneconomical rubber and oil palm area were being replanted with high-yielding oil palm. A programme to replant the remaining area of about 850 acres had also been drawn up.

COPI is experimenting with planting cocoa between oil palms, and has been granted pioneer status by the Malaysian Ministry of Commerce and Industries for refining palm oil into edible oil. Plans for the construction of such a plant were now under consideration by the company's Board.

Reuter

U.K. cereals crop of 14m. tons forecast

BY OUR COMMODITIES EDITOR

A U.K. cereals harvest of some 14m. tons, 1.3m. tons more than last year, is being tentatively forecast by the Home Grown Cereals Authority. The forecast is based on information from the Ministry of Agriculture's monthly agricultural report for July and the June census acreage estimates.

Stressing the provisional character of the figures—the Ministry's comments were made before the recent spell of bad weather—the authority forecasts this year's U.K. wheat crop at 4.5m. tons, 0.4m. tons higher than in 1970, while the barley crop is put at 8.3m. tons, 0.9m. tons above the figure for 1970. The oats harvest is expected to be the same—1.2m. tons.

The authority points out that although this year's production is likely to be markedly above last year's figures, it is still, even on these estimates, below the record levels of 1967-68 by some 0.3m. tons. At the same time, it says, the production mix is better suited to the needs of the domestic market than was the 1967-68 crop.

The authority also draws attention to the sharp increase expected in U.S. grain supplies. According to the U.S. Department of Agriculture's latest figures, the maize crop could total as much as 133.6m. tons, which would be 30.9m. tons above last year's diseased-damaged outturn. The U.S. wheat crop is estimated at 42.9m. tons, 6m. tons above 1970. With barley and oats crops forecast at 9.9m. tons and 12.6m. tons respectively, the total outturn of these four grains is provisionally estimated at 199m. tons, 37.7m. tons above 1970.

The maize crop estimate is a record, although the U.S. Department's chief economist has commented that later production estimates are more likely to show a fall from this level than an increase. After the storms of the past week or so, the same is likely to be true of the Home Grown Cereals Authority's U.K. estimates, particularly in respect of wheat.

EUROPEAN FRUIT TRADERS TO MEET

Changes in fruit and vegetable distribution and the role of the wholesale trade is the subject of a conference being held in Verone from October 1-4 by the European Union of Fruit and Vegetable Wholesalers. It is said to be the first large-scale European meeting, open to traders from all countries.

EEC apple and pear sales difficulties

By Our Commodities Staff

DIFFICULTIES over marketing a big apple and pear crop are expected in the Common Market this season, and have already begun to show up. Information from the main fruit-growing areas of the EEC indicates that early varieties will be in plentiful supply during August and September.

In some areas a rise of up to 75 per cent. in some apple varieties is expected, while a 25 per cent. increase in the yields of some pears is predicted. Production increases of 25 and 50 per cent. in two early apple varieties are also forecast in one of the main growing areas in West Germany round Lake Constance.

All varieties of apples and pears are at present being sold at below average prices, according to Agra Europe, the imbalance between supply and demand mainly being due to unusually large offers of peaches.

Consumers are expected to show more interest in apples and pears as the more mature fruit comes on to the market. But there are fears that they will again come under competition this time from dessert grapes, supplies of which are expected to rise by nearly 10 per cent. over the 1970 level.

U.S. levy blow to Indian jute

By Our Own Correspondent

NEW DELHI, August 7.

The Indian Government is seriously perturbed at the U.S. Administration's announcement of a 10 per cent. import levy as this is expected to hit jute goods exports which had just started to pick up.

The U.S. is the main market for jute products, particularly carpet backings, and India has recently launched an export drive for them. This was expected to bring substantial gains because of lack of competition from Pakistan in view of the disturbed conditions in East Bengal.

The Government is also worried by the fact that more than $300m. of its foreign exchange reserves—or nearly 30 per cent. of the total—are in dollars. The fear is that these can now be used only for imports from the U.S., where costs are high.

The Indian Finance Ministry is watching the situation but at present it does not see any danger to the rupee and has no plans for devaluation.

Potato blight seen likely

By Our Commodities Staff

FOR THE first time this year, conditions favourable to the spread of potato blight occurred at the end of last week over most of England and Wales, the Ministry of Agriculture reported yesterday.

The disease is present on a few maincrop potatoes in most regions and some spread has already taken place in these regions. More general spread can now be expected towards the end of the month, the Ministry said.

It adds that this will be too late to cause loss of yield due to foliar infection, but if there is more heavy rain serious tuber infection of susceptible varieties is likely to occur.

Farmers wanting advice on spraying against the disease are asked to consult the local officer of the Ministry's Agricultural Development and Advisory Service.

REORGANISATION OF AMALGAMATED METAL CORP.

Amalgamated Metal Corporation has announced the integration of most of the trading activities of its two major subsidiaries, the British Metal Corporation and Henry Gardner and Co.

AMC says this is the principal change resulting from a reorganisation of the group's structure to increase efficiency and promote growth in its metal and minerals business. But pending integration, both the BMG and Henry Gardner will continue to trade under their own names.

Deficiency payments for Australian wool growers

BY MICHAEL SOUTHERN, AUSTRALIA EDITOR

THE Federal Government's budgetary decision to make a massive switch of funds into Australia's primary industries comes as no surprise. What has caused a little surprise, and will no doubt distress some wool farmers, is the method.

In the Budget announced last night, the estimates for payments to industry by way of bounties, subsidies and other payments total $A371m. Of this, $A274m. is earmarked for rural industries. The most significant feature is the proposal for a deficiency payments scheme for wool.

Over the next year, the Government will make deficiency payments on all but 10 per cent. of the wool clip—eliminating from the scheme specified inferior types of wool. But contrary to the belief that the Government would guarantee a minimum price of 36 cents a lb, Mr. Snedden's announcement indicates that the repayments will be made on the basis of a percentage of market realisation to ensure a return corresponding to 36 cents a lb for the whole clip.

Underestimate

This means that individual growers will have an incentive to obtain the best price possible, and that some growers will not receive as much as 36 cents a lb while others will receive more.

What is of concern is the figure of $A60m. that Mr. Snedden has earmarked for this project. It is clearly an underestimate of the cost designed to calm down an anxious electorate. A more realistic cost would be around $A100m. or more.

Mr. Snedden has taken account of the fact that British entry into the EEC will have a severe effect on primary industries. Farm income in the 1970-71 year dropped to around $A810m., or $A265m. less than in the previous year. And it is clear there will be a further drop in the coming year particularly in view of the latest U.S. action.

Budget provisions for the coming year include $A40m. for debt reconstruction, and payments to State Governments of $A11.5m. for the marginal dairy farm reconstruction scheme, which will ensure that marginal dairy farmers stay in business, while inefficient ones get out.

Those leaving will be offered assistance, and the Commonwealth Government proposes to introduce a retraining scheme, details of which will be announced later.

Dairy farmers will benefit from the extension of the one year additional bounty on butter, which will cost about $A40m. while a five-year stabilisation plan for the apple and pear industry—no details of which are given—will be introduced. This is expected to cost $A3m. in the current financial year, and guarantee a minimum price for apples and pears shipped at risk in 1971. Financial assistance is also planned for the fruits industry.

Devaluation compensa[tion for] the 1967 sterling devalua[tion] is) will be $A9.7m.

Meat duty

But none of these measu[res] take into account the further roads into the Australian r[ural] sector that President Nix[on's] package, announced on Mon[day] may have. It has already b[een] indicated here that wool is s[ub]ject to the 10 per cent. imp[ort] duty, and there is now s[ome] doubt about the meat situati[on].

If meat is to be subjected [to] the duty, it will change the wh[ole] face of Australia's rural expo[rts] as half of the $A490m. expor[ts] to the U.S. is accounted for [by] meat. And this means that [Mr.] Snedden's suggestion yesterd[ay] that the U.S. situation might [not] be too serious for Australia w[as] nonsense.

But the U.S. problem aside, [it] is clear that the Country Par[ty] has won some concessions fr[om] the Government in this bud[get] and that secondary industry w[ill] gain no benefits at all. Over [the] last year, companies have se[en] this Government raise comp[any] tax, take out the investm[ent] allowance on capital spend[ing] and, by this Budget, remove [ex]port benefits. Primary produce[rs] on the other hand, are still [in] receipt of major tax concessio[ns] and the newly-announced [...] programme.

Copper strikes spread in Chile

SANTIAGO, August 17.

COPPER processing supervisors at the northern El Salvador mine and nearby smelter announced a walkout to-day.

The walkout is in sympathy with striking processing experts at the nearby Chuquicamata mine.

The announcement extends the strike to all the big nationalised copper mines.

The Chuquicamata process[ing experts] walked out last Thursday in pr[o]test against the appointment [of] three outside technicians to [...] posts within the mine.

They were joined by expe[rts] at La Exotica mine, and some [...] processing experts at El Teniente mine. Yesterday 70 at the R[io] Blanco mine followed suit.

The walkout involves mo[re] than 800 experts at the five co[p]per mines formerly owned b[y] U.S. companies and which th[e] Chilean Government nationalise[d] last month.

But Senor Orlando Cantuaria[s] the Mines Minister, reiterat[ed] last night that the strike was n[ot] affecting production at the mine[s]. He said output at Chuquicama[ta] on Friday—the day after th[e] walkout started there—amount[ed] to 802 metric tons, against a[n] average 715 tons during the fir[st] three days of the week.

Meanwhile, in Antofagasta, [a] court rejected a habeas corp[us] plea tabled by defence lawye[rs] of 15 Chuquicamata experts fa[c]ing Government charges of di[s]rupting work at the mine. Seno[r] Cantuarias said the 15 supe[r]visors' action was tantamount [to] sabotage.

Reuter

Threat to Philippine rice crops

BY OUR OWN CORRESPONDENT

MANILA, August 17.

INTERNATIONAL Rice Research Institute scientists have revealed that a severe outbreak of tungro virus disease threatens the rice crops in ten Philippine provinces.

The Agriculture Minister, Arturo Tanco Jr, confirmed the IRRI report but could not give an estimate of how the disease flare-up will affect cereal supplies in the politically volatile months before the November 8 election.

The disease is affecting farms planted to high yielding varieties like IR22, IR8, and IR5pd apparently. There is no danger of the disease spreading to other south-east Asian countries for the moment. IRRI scientists are urging farmers to switch to IR20 or C4—63 seeds, since they have resistance against tungro virus. Scientists know the virus is transmitted by the green leafhopper, but have not yet discovered what causes occasional flare-ups of the disease.

The Government kept reports of the tungro outbreak secret, but crop damage was apparently the reason behind the frantic Philippine decision to purchase 350,000 metric tons of rice from Thailand and Burma this month, and negotiating for another 10,000 tons more from mainland China.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Uncertain market on the London Metal Exchange. Clarification of the U.S. measures in regard to metals was still awaited as was the reopening of Comex. These uncertainties coupled with the high level of U.K. warehouse stocks absorbed the impact of the news of spreading labour unrest at the Chilean mines and, with overseas business subdued by foreign exchange difficulties, prices softened in thin trading which was largely confined to routine hedging operations. Turnover 5,125 tons.

Henry Gardner and Co. reported that in the morning market cash wirebars traded at £458, 57, 56.5, 57, mid-Aug. £459, 58, late-Oct. £465, early-Nov. £467.5, mid-Nov. £468.5, three months £469, 68, 67.5, 67. Cathodes: cash £445, three months £455.5. Kerb: cash wirebars £456.5, three months £467, 67.5, 67. Cathodes: cash untraded, three months £456. Afternoon: Cash wirebars £455, early-Nov. £464, 64.5, three months £467, 66.5, 66, 65.5, 65, 65.5. Cathodes: cash untraded, three months £456. Kerb: cash wirebars untraded, three months £456, 64.5. Cathodes: cash untraded three months £453.5.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or †—
	£	£	£	£
Wirebars				
Cash	456.5-7	+1	455-.5	—2.5
3 months	467-7.5	+1	465-.0	—3.25
Settlem't	457	+1	—	......
Cathodes				
Cash	444.5-5	......	444.5	—2.25
3 months	455-.5	—.25	454-5	—2.75
Settlem't	445	......	—	......
U.S. Smlt.	—	......	*52.75-53	......

TIN—Marked time in line with the general air of "wait-and-see." Some buying of cash metal was thought at first to have been on behalf of the Buffer Stock manager, but later opinions rejected this theory. Turnover 310 tons.

Morning: cash £1,420, 21, late-Sept. £1,430, three months £1,436, 34, 35, 37. Kerb: nil. Afternoon: cash £1,420, mid-Aug. £1,419, three months £1,438, 35, 34, 35. Kerb: cash untraded, three months £1,435.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or †—
	£	£	£	£
Cash	1421-2	—2	1419-21	—.5
3 months	1436-7	—5	1436-8	—1
S'ment	1422	—2	—	......
Straits Ex	1451.43	—.87	—	......
New York	—	......	—	......

LEAD—Easier again in generally quiet trading conditions. Turnover 2,825 tons.

Morning: Cash £107.5, late-Aug. £108, 7.75, early-Sept. £108.25, three months £110.25. Kerb: cash untraded, late-Sept. £108.75. Afternoon: Cash untraded, three months £110.25. Kerb: cash untraded, mid-Aug. £107.25, three months £110.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or †—
	£	£	£	£
Cash	107.25-.5	—.25	106.75-7.25	—.75
3 months	110.25-.5	—.5	110-.25	—.55
S'ment	107.5	—.25	—	......
N.Y. Spot	—	......	*14-14½	......

ZINC—Reacted after a firmer tendency in the Rings. Continued buying on the late kerb was suddenly followed by a bout of selling which left forward metal at below the previous night's closing levels. Turnover 4,650 tons.

Morning: cash £133.5, early-Sept. £134, three months untraded. Kerb: cash £134, three months £136.25. Afternoon: cash £134.25, three months £137.25. Kerb: cash £134.5, 34.25, mid-Nov. £136.25, three months £137.5, 37.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or †—
	£	£	£	£
Cash	133.5-.75	......	134-.5	+.875
3 months	137.25-.5	......	137.25-.5	+.25
S'ment	133.75	......	—	......
E. St. Louis	—	......	*17	......

* Cents per lb. † On previous unofficial close.

SILVER

Silver was fixed 0.3p an ounce lower all-round in the London bullion market, with spot at 66.3p (U.S. cents equivalent unavailable). Business was small, and by the close, with some selling seen to the afternoon, the spot price had eased a further 0.5p or so.

SILVER (per troy oz.)	Bullion fixing (selling prices)	+ or —	LME close	+ or —
Spot	66.0p	—0.3	66.05p	—0.5
3 months	67.7p	—0.3	67.15p	—0.65
6 months	69.0p	—0.5	—	......
[illegible] months	—	......	68.05p	—0.6
12 months	71.8p	—0.5	—	......

LME—Turnover 94 (123) lots of 10,000 ozs. Morning: Cash 66.7p, three months 67.6p, 7.6p, 7.5p. Kerb: Three months 67.6p. Afternoon: Mid-Aug. 66.1p, mid-Nov. 67.3p, three months 67.4p, 7.3p, 7.2p, seven months 68.0p. Kerb: Three months 67.0p, 67.1p.

COCONUT OIL

Quiet and untraded, reports G. W. Joynson. Close: Sept. £125-£129 (same), Nov. £122-£128 (same), Jan. £121-£127 (same), March £120-£125 (same), May £119-£124 (same), July £117-£122 (same), Sept. £120-£125 (same). Turnover 0 (0) lots of 20 tons each. Price basis ex-tank Rotterdam.

COCOA

After an indecisive start prices broke sharply on liquidation-type selling, with chartist and stop-loss orders in evidence on the decline reports Gill and Duffus. Trade in actuals appeared to be very limited.

COCOA	Yesterday's Close	+ or —	Business Done
No2 Contract			
September	239.0-9.5	—6.5	238.0-45.0
December	246.5-7.0	—7.0	244-52.5
March	251.0-1.5	—7.5	250.0-57.5
May	254.0-4.5	—7.5	253.0-60.5
July	257.0-8.0	—7.5	252.0-64.5
September	261.0-1.5	—7.5	261.5-67.5
December	264.5-6.0	—8.0	267.0

Sales: 9,522 (2,128) lots of 5 tons each.

FREIGHTS

DRY CARGO—Grain shippers covered cargoes from the U.S. Gulf to Hamburg at $3.10 f.i.o. and from the St. Lawrence to Bari at $3.75 free discharge both for September. A handy-sized cargo of heavy grain was also fixed from Vancouver to Hondagua at $6.75 f.d. for Aug.-Sept. Barley shippers booked vessels from Vancouver to Lorenco Marques or Beira at $8.50 f.d. for Sept. and from the St. Lawrence to Bandar Shapur at $9.30 f.d. for Aug. Chartering included bulk soda ash from New Orleans to Durban at $8 f.i.o. for Sept. and pig-iron from E. India to Japan at $5.90 f.i.o. for August.

OIL TANKERS—Quiet again with few fixtures. Antar took a 35,000-tonner from Persian Gulf to the West on August 29 at the slightly better rate of Worldscale 58 and Union Oil arranged a 40,000-tonner on Aug. 29 from Persian Gulf to Korea at W.65. In the West, Gulf fixed a 45,000-tonner from Caribbeans to USNH on Aug. 22 at W.75.

COTTON

Unchanged, reports Eccles and Stern.
(New pence per kilo)

COTTON	Yesterday's Close	+ or —	Business Done
October	30.40-.80	......	—
December	30.40-.80	......	—
March	30.40-.80	......	—
May	30.40-.80	......	—
July	unquoted	......	—

Turnover 0 (0) lots of 10,000 kilos each. Strict middling 1 1/16 inch, Pressley 78,000 lbs square inch micronaire 3.5-4.9.

LIVERPOOL—Spot and shipment sales amounted to 294 metric tons bringing the total for the week to 347 tons, reports F. W. Tattersall. Considering the confusion caused by the American economic measures, turnover was by no means insignificant. Interest was shown in Turkish, Sudan and East African growths.

COFFEE

Futures lost ground in moderate two-way trading which comprised straddling. A softer tone stemmed from a general lack of follow-through to recent near September short-covering, together with reports from Brazil that exchanges had reopened and that origin shippers were making firm offers at last week's levels.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per ton		
September	374.0-0.0	—5.0	375.0-8.8
November	358.0-8.5	—3.0	359.5
January	353.0-3.5	—3.0	353.0-6.0
March	349.5-50.0	—3.0	350.0-2.5
May	346.0-7.0	—3.0	346.5-8.5
July	344.0-0.0	—3.25	344.5-6.6
September	342.0-2.5	—3.0	342.5-5.0

Sales: 291 (389) lots of 5 tons each.

Latest published ICO indicator prices (U.S. cents per pound). Colombian Mild Arabicas 48.25 (same). Other Milds 45.75 (same). Unwashed Arabicas 42.00 (same). Robustas 42.19 (same). Daily average 43.73 (same).

RUBBER

EASIER at the opening, with little or no interest throughout the day and closing on a dull note. Lewis and Peat reported a godown price of 85 Malayan cents a kilo (buyer, September).

Contract	Previous Day's Business	12.45 p.m. Official prices	Closing buyers' prices	Rise or fall
C.I.F.	p	p	p	p
Sept.	not avail.	13.9*-14.1*	13.25	—0.15
Oct.	not avail.	14.15*-.4*	14.15	—0.15
Landed				
Spot	—	14.45-.7	14.35	—0.2
Sept.	—	14.3-.7	14.4	—1.5
Oct.	—	14.8-15.05	14.7	—0.3
Nov.	—	15.2-.4	15.1	—0.2
Oct.-Dec.	15.4	15.2-.4	15.1	—1.2
Jan.-Mar.	—	16.3-.4	16.2	—1.1
Apr.-Jne.	—	17.1-.3	17.1	—1.1
July-Sept.	—	17.85-18.1	17.8	—0.2
Oct.-Dec.	—	18.6-.75	18.5	—0.15
Jan.-Mar.	—	19.0-.25	19.0	——
Apr.-Jne.	—	19.-.65	19.4	—0.1
July-Sept.	—	19.7-.95	19.7	
Oct.-Dec.	—	19.95-20.2	19.95	—0.05

* Nominal.

Malayan thick crepe Sept. 20.45p (sellers). Ceylon thick crepe Sept. 22.8 (sellers).

GRAINS

THE BALTIC—A few speculative offers of imported grains reappeared on the market but there were no serious attempts to trade in view of the monetary situation.

Wheat, maize and barley—All prices unquoted due to currency uncertainties.

LONDON HOME GROWN FUTURES—Wheat, barely steady. Close: Sept. 24.075, Nov. 25.050, Jan. 23.950, March 26.775, May 27.275. Business: Nov. 25.050, Jan. 23.950, March 26.775, May 27.275. Barley, barely steady. Close: Sept. 22.625, Nov. 23.600, Jan. 24.450, March 25.275, May 25.975. Business: Sept. 22.625, Nov. 23.600, Jan. 24.450, March 25.275, May 26.075.

HGCA—Location average ex-farm spot prices. Soft milling wheat—No prices. Feeding barley—Ashford £22.00, Salisbury £21.90.

SOYABEAN OIL

Untraded, reports G. W. Joynson.

Soyabean Oil	Yesterday's Close	+ or —	Business Done
	£'s decimal long ton		
September	138.0-44.0	......	—
November	130.0-42.0	......	—
January	126.0-34.0	......	—
March	126.0-33.0	......	—
May	125.0-30.0	......	—
July	125.0-9.0	......	—
September	120.0-7.0	......	—

Turnover 0 (0) lots of 20 metric tons each. Price basis ex-tank Rotterdam.

SUGAR

LONDON DAILY PRICE—Unchanged at £43.50 a ton c.i.f. for Aug.-Sept. shipment.

Prices were up to 25 points lower at the opening and the market traded within a narrow range until easier New York advices caused values to fall another 15 points, reports C. Czarnikow. The low levels were shortlived, however, and prices moved ahead again to close fully steady at the day's highs.

Sugar Pre. Comm. Con.	Yesterday's Close	Previous Day's Close	Business Done
	£ per ton		
Aug.	—	44.25-.35	42.50-44.50
Oct.	44.65-.90	44.95-45.00	44.00-45.00
Dec.	44.90-.95	45.05-.10	44.05-45.15
Mar.	45.85-46.0	45.15-.30	45.70-46.25
May	46.05-.10	46.20-.25	45.75-46.40
Aug.	45.7-.80	45.80-.95	45.45-.95
Oct.	45.40-.50	45.60-.70	45.25-45.30

Sales: 1,830 (2,086) lots of 50 tons each.

Tate and Lyle's ex-refinery prices for granulated in 1-cwt paper sacks were £4.24 (same) for home trade and £59.50 (same) per ton for export.

SUNFLOWER OIL

Quiet, reports G. W. Joynson.

Sunflower Oil	Yesterday's Close	+ or —	Business Done
	£'s per long ton		
September	160.0-3.0	......	—
November	161.0-4.0	......	—
January	159.0-64.0	......	—
March	159.0-63.0	......	—
May	160.0-2.0	......	—
July	150.0-8.0	......	—
September	155.0-7.0	......	—

Turnover 0 (0) lots of 20 metric tons each. Price basis ex-tank Rotterdam.

WOOL FUTURES

MERINOS—Dull and featureless, reports Bache.

(New pence per kilo)

Dry-combed wooltops	Yesterday's Close	+ or —	Business Done
October	81.0-2.0		—
December	82.5-3.3	—0.2	82.0
March	82.7-4.0	—0.15	—
May	83.7-4.5	+0.3	—
July	83.7-5.0	+0.05	84.0
October	84.8-5.3	—0.2	85.0
December	85.5-6.0	+0.1	—

Turnover 3 (5) lots of 2,250 kilos.

SYDNEY—Irregular. Close: Oct. 137.2-137.5, Dec. 138.6-139.7, March 142.2-142.3, May 144.8-145.0, July 147.2-147.4, Oct. 148.5-148.6, Dec. 149.4-149.8.

JUTE

DUNDEE—Quiet and unchanged. Prices c.i.f. U.K. for Aug.-Sept. shipment: PWA £156, PWC £148, PWD £136. Tossa: PTB £167, PTC £154, PTD £144. Calcutta goods steady. Quotations c. and f. U.K. for Aug. shipment: 10-ounce 40-inch £7.66, 7½-ounce £5.31 per 100 yards: Sept. £7.07 and £5.31; Oct.-Dec. £6.63 and £5.26. "B" twills £17.92, £18.14 and £18.40 for the respective shipment periods. Yarns and cloths quiet but prices firm.

LONDON—Quiet. PWC grade Sept.-Oct. £146.50 seller. PWD grade Sept.-Oct. £137.50 seller. A long ton.

CALCUTTA—Steady. Indian spot Rs. 380 value, Dundee Daisee spot Rs.360 value. A bale of 400 lbs.

MEAT/VEGETABLES

SMITHFIELD—Beef: Scottish killed sides 18.3p to 20.6p, Eire hindquarters 21.7p to 23.5p, forequarters 12.5p to 13.3p. Argentine chilled boneless cuts—strip loins 41.5p to 43.3p, rumps 37.5p to 40.0p, top sides 31.7p to 32.5p, silversides 28.7p to 29.0p, thicks 28.7p to 29.0p, ponies 19.8p to 20.0p.

Veal: English fats 27.5p to 33.0p, fats (high quality) 34.0p, bests 14.0p to 17.5p, mediums 12.0p to 15.0p, bobbies 10.0p to 12.5p.

Lamb: English medium 12.5p to 16.7p, medium (high quality) 17.5p, heavy 10.8p to 12.3p, Scottish medium 13.3p to 15.8p, heavy 10.8p to 13.3p, hill 12.5p to 16.7p, Eire 11.7p to 13.3p. Imported frozen—N.Z. PL's 13.1p to 14.2p, 2's 12.5p to 13.0p, 8's 11.7p to 12.5p, YLs 11.4p to 12.5p, YMs 11.7p to 12.5p.

Pork: English, under 100 lbs 10.0p to 14.6p, 100-120 lbs 10.0p to 13.8p, 120-160 lbs 10.4p to 12.5p, 160-180 lbs 10.0p to 11.3p, 180 lbs and over 9.6p to 11.3p.

Meat Commission average fatstock prices at representative markets yesterday: U.K.—Cattle £12.13 per live cwt (—0.02 on previous week), sheep 16.8p per lb edcw (—0.2), pigs £1.81 per score liveweight (+0.05). England and Wales—cattle numbers up 3.2 per cent. av. £12.14 (—0.03), sheep numbers up 21.7 per cent. av. 17.2p (same), pig numbers up 17.1 per cent. av. £1.80 (+0.05).

COVENT GARDEN—Imported produce: Grapefruit—South African: 32 £2.30-£2.35, 36 £2.25-£2.40, 40 £2.50-£2.55, 48 £2.75-£2.80, 56 £2.55-£2.60, 64 £2.40-£2.45; Brazilian: £2.60-£2.80. Oranges—Brazilian: £1.50; South African: 56/150 £1.40-£1.70, Valencia Lates £1.60-£1.75; South Australian: £2.90-£3.00. Lemons—Italian: 100/120 £2.50-£2.65; South African: £2.50-£3.00; Californian: £2.95. Melons—Israeli: Ogen £1.20-£1.30; Spanish: yellow £0.60-£0.70; French: Charente £1.25. Water-melons—Spanish: £1.10; Italian: £0.90; Hungarian: £1.30. Grapes—Belgian: per pound, Royal £0.25; Cypriot: trays 18 lb Sultana £0.78-£0.98; Italian: 11 lb Regina £1.00-£1.10; Spanish: 11 lb, white £1.10; Lebanese: per pound £0.15. Apples—Tasmanian: £3.60, Democrats £3.00, Croftons £3.10; Victorian: Yates £3.10, Granny Smith £4.80. Pears—Italian: per pound, Williams £0.05; French: Williams £0.05. Peaches—French: £0.70-£0.80; Italian: large £1.00-£1.20. Apricots—Hungarian: £0.80. Plums—Italian: 20 lbs Blue Plums £1.30; Bulgarian: 17 lbs Switzens £1.20. Greengages—Spanish: £0.80-£1.10. Avocados—South African: 12/20's £2.00-£2.20. Tomatoes—Guernsey: per pound £0.08; Jersey: £0.08. Onions—Spanish: £0.90-£1.10; Dutch: £1.10-£1.15. Capsicums—Dutch £0.10.

English produce: Cabbage—nets £0.40. Lettuce—Round 12's £0.25-£0.30, Cos 12's £0.30. Potatoes—£0.45-£0.65. Mushrooms—Per pound £0.17. Cucumbers—per tray 12/18's £0.40-£0.60. Cauliflowers—12's £1.10. Tomatoes—per pound £0.05. Celery—12's £0.35, 20's £1.00. Beans—per pound, ground £0.03, stick £0.00. Peas—per bag, approx. 36 lbs £1.00-£1.30. Carrots—28-lb bag £0.30-£0.40. Beetroot—per bag £0.25. Courgettes—per pound £0.05. Apples—28/30 lb Grenadier £0.60-£0.70, Derbys £0.75, Cave £1.50-£1.60, Millers £2.00-£2.30. Plums—Early Rivers/Czars 12-lb chips £0.70. Blackberries—per pound £0.08-£0.10. Parsnips—28 lbs £0.50-£0.55. Swedes—28 lbs £0.45.

★

COPRA—Philippines/Indonesian: Aug. $189, Sept. $185, Oct. $190, Nov. $195 resellers.

★

GRIMSBY FISH—Fair supply and moderate demand. Prices per stone: Shelf cod £1.10-£1.65, codlings 95p, small haddocks 82p, medium plaice £2, coalfish 60p, catfish £1.

★

HIDES—Birmingham: Prices fractionally weaker in places, but good clearance generally. Second clear ox 31-35.5 kilos 13.3p, 26-30.5 kilos 14.3p, 22-25.5 kilos 15.3p, cows 25.5 kilos and under 15p. First clear calf under 4 kilos, none offered.

† Withdrawn.

★

LONDON TEA SALE—Ceylon 10,987 packages. There was a better and more general demand. Plainer liquoring sorts were fully firm to dearer specially BOP tannings. The few bright liquoring Dimbulas sold well at firm rates. South India 2,186. The market was about steady with the exception of plain liquoring sorts which were easier. Price indications: Quality 50p, Medium 45p, Plain 37p.

PRICE CHANGES

Prices per ton unless otherwise stated.

	Aug. 17 1971	+ or —	Month ago
Metals			
Aluminium (a) (z)	£257.20	......	£257.2
Copper			
Cash Wire Bars (z)	£455.25	—2.50	£448.5
3 months do. do. (z)	£465.25	—3.25	£458.25
Cash Cathodes (z)	£444.5	—2.25	£436.75
3 months do. do. (z)	£454.5	—2.75	£445.75
Gold ......Troy oz.	$43.05	......	$41.00
Lead, Cash (z)	£107	—.75	£108.875
3 months (z)	£110.125	—.25	£111.625
Nickel (z)	£1,246.5	......	£1,246.5
Platinum (b) troy oz.	£50	......	£50
Free market	£47.50*	......	£45½-9½
Quicksilver (76 lbs)	£212	......	£212
Silver Troy oz.	52.5p	—0.3	64.5p
3 months	57.7p	—0.3	65.2p
Tin Cash (z)	£1,420	—.2	£1,433.5
3 months (z)	£1,436.5	—1	£1,456.5
Wolfram 22.04lb cif.	£18-19	......	£19-20.25
Zinc Cash (z)	£134.25	+.875	£132.625
3 months (z)	£137.375	+.25	£134.875
Producers (z)	£150	......	£150
Oils			
Coconut, Malayan	146(w)	......	£147
Groundnut 3.5%		......	£190
Linseed Crude		......	£110
Palm Malayan		......	£115
Soyabean		......	$337
Seeds			
Copra, Philipp. ton	†$185(y)	—1	$201
Gr'ndnuts Niger'n	‡	......	£103
Linseed Can No. 1	‡	......	$48.15
Grains			
Barley			
Can No. 2	‡	......	£25.25
Home Futures	£23.60	—0.10	£23.90
Maize			
No. 3 Yellow Am.	‡	......	£28.75
S.A. Yellow Flint	‡	......	‡
Wheat			
No. 2 Manitoba	‡	......	£32
No. 2 Hard Winter	‡	......	£30.15
Australian	‡	......	£29.25
English Milling	£24.25-.75	......	£24-½
Cocoa Shipmt (x)	£246	—7	£233.50
futures Dec.	£246.75	—7	£232.25
Coffee Shipment (c)	‡	......	‡
futures Nov.	£358.25	—3.50	£368.25
Cotton Liverpool cif index cents per lb.	35.45*	+0.05	33.70
Jute LJA PWC	†£146.50(p)	......	£147
Rubber ......Kilo	14.35p	—0.2	14.4p
Sisal EA 3L (z)	£82	......	£78-79
Sugar	£43.50	......	£42.80
Wooltops 64s ...Kilo	89p	......	90p
Cloves	‡	......	79½p
Pepper White ...ton	†£475(q)	......	£450
" Black ...ton	†£372.50(q)	......	£350

* Nominal. † Seller. ‡ Unquoted. § Unofficial close. ♣ Indicative price. *a* Canadian delivered U.K. *b* U.K. and Commonwealth refined. *c* Uganda Robusta grade 10 unwashed f.o.b. Mombasa cents a pound. *d* Pakistan white "G." *w* Ex-warehouse. *x* C.i.f. U.K. *z* Metric tons. *t* Aug. *u* Sept. *j* July-Aug. *m* Aug.-Sept. *q* Oct.-Nov. *o* Nov.-Dec. *p* Sept.-Oct. *z* Jan.-Feb. *n* Dec. *h* Dec.-Jan. *v* Feb.-March.

INDICES

FINANCIAL TIMES

Aug. 17	Aug. 16	Month ago	Year ago
84.03	84.42	85.83	88.80

(Base, July 1, 1952=100)

REUTER'S

Aug. 17	Aug. 16	Month ago	Year ago
524.2	576.1	522.6	515.9

(Base, Sept. 18, 1931=100)

DOW JONES

Dow Jones	Aug. 17	Aug. 16	Month ago	Year ago
Spot	141.44	142.17	142.09	149.00
Futures	141.72	142.70	145.76	146.27

(Average 1924-25-26=100)

MOODY'S

Moody's	Aug. 17	Aug. 16	Month ago	Year ago
Sple Comm'l	362.7	365.1	372.7	412.9

(Dec. 31, 1931=100)

U.S. Markets

NEW YORK, August 17.

CURRENCY considerations were th[e] overriding influence on commodity ma[r]kets. Silver and copper markets remain[ed] closed. Cocoa eased under Commissio[n] house liquidation penetrating chart poin[ts]. Soyabeans closed sharply higher in antic[i]pation of expanding exports as Jap[an] indicated it would not retaliate again[st] the U.S. import levy. Corn was high[er] on reports of blight damage, Bache re[ports].

Cocoa—Bahia spot 26½ (27½). Ghana [...] 28½ (29½). Sept. 25.40 (26.22), Dec. 25[...] (26.47), March 26.10, May 26.46, July 26.[...] Sept. 27.09, Dec. 27.44. Sales, 1,601.

Coffee—Santos No. 2/3 unquoted (4[...] nom.). Santos No. 4 42.50 asked (4[...] nom.). Colombian Mams 48.25 ask[ed] (same).

Copper—Closed.

Cotton—Contract No. 1 Nov. 22.00 no[m.] (same), Jan. 22.00 bid (same), April 22.[...] nom., June 22.00 nom. Contract No. [...]

The New York Commodity [Ex]change ordered a suspension [of] trading due to the curren[cy] crisis on Monday. It said r[e]sumption would be at the di[s]cretion of a special committ[ee] appointed by its Board.

Oct. 31.06 (31.60), Dec. 31.70-31.76 ([...] 31.28), March 32.62-32.65, May 33.00, Ju[ly] 32.74-32.90, Oct. 30.10 bid, Dec. 29.50 bid.

§§Cottonseed Oil—Sept. 17.05 bid [...] bid), Oct. 16.60 bid (16.40 bid), Dec. [...] bid, Jan. 16.35 bid, March 16.35 bid, Ma[y] 16.35 bid, July 16.35 bid, Sept. 16.35 bi[d]. Sales, nil.

♣Greasewool—Spot 56.0 nom. (same) Oct. 63.2-63.40 (62.0-63.4), Dec. 66.5-66.[...] 166.5), March 72.5-72.30, May 72.9-72.[...] July 73.5-73.35, Oct. 74.7-74.53, Dec. 76.1-[...]

†Lard—Chicago loose 11½ nom. (same) N.Y. drummed 14¼ nom. (same).

††Maize—Sept. 125½-125¼ (124), Dec. 12[...] 123½ (121½-122), March 128½-128¼, May 131[...] July 123½.

‡Mercury—Closed.

‡‡Silver—Closed.

*Soyabeans—Aug. 335½-336 (328½-329[...]) Sept. 333½-334 (326½), Nov. 327½-327¼, Ja[n.] 331½-331¼, March 335½-336, May 337½, Jul[y] 338½-338.

bSoyabean Meal—Aug. 81.20-82.10 (83.[...]) Sept. 82.40-82.35 (83.20-83.25), Oct. 80.[...] 80.90, Nov. 80.30-81.00, Dec. 81.40, Ja[n.] 81.50, March 82.05-82.10, May 82.70-82.9[...] July 83.50-83.25.

Soyabean Oil—Aug. 14.70-14.75 (14.5[...] 14.53), Sept. 14.24-14.29 (13.95-13.97), Oc[t.] 13.86-13.85, Nov. 13.50-13.55, Dec. 13.4[...] 13.45, Jan. 13.25, March 13.15-13.12, Ma[y] 13.00, July 12.85-12.80.

Sugar—Contract No. 11 Spot 4.50 (same) Sept. 4.54 (4.57), Oct. 4.55-4.53 (4.57), Ja[n.] 4.72 nom., March 4.72-4.71, May 4.74, Ju[ly] 4.76, Sept. 4.70, Oct. 4.69-4.70. Sales, 1,[...]

**Wheat—Sept. 142-142½ (143-143½) Dec. 146-146½ (146½-146¾), March 148, Ma[y] 147½, July 140½.

WINNIPEG—August 17—dRye—Oct. 10[...] bid (100½ bid), Dec. 98½ bid (same), Ma[y] 100½ bid.

eOats—Oct. 69½ (69½ bid), Dec. 69½ ask[ed] (same), May 71 asked.

§Barley—Oct. 109½ (same), Dec. 10[...] bid (same), May 106½ bid.

dFlaxseed—Oct. 239½ bid (240½ bid) Nov. 239½ (246½), Dec. 237½, May 2[...] asked.

Wheat—N. Manitoba No. 2 176½ (177)-[...]

All cents per pound ex-warehouse unle[ss] otherwise stated. * Cents per 60-lb bush[el] ex-warehouse. † Chicago loose $'s p[er] 100 lbs—Dept. of Ag. prices previo[us] day. Drummed $'s per 10 lbs f.o.b. N.[Y.] ‡ $'s per 76-lb flask ex-warehouse. § Ce[nts] per 56-lb bushel ex-warehouse. ** Ce[nts] per 60-lb bushel in store. †† Cents p[er] 56-lb bushel ex-warehouse, 5,000-bush[el] lots. ‡‡ Cents per troy ounce ex-warehous[e]. b $'s per short ton f.o.b. cars Decatu[r]. c Cents per 48-lb bushel. d Cents per 5[6-lb] bushel ex-warehouse. 1,000-bushel lo[ts]. §§ Basis Lubbock, Texas. ♣ New contrac[t].

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هكذا من الأصل

American News

U.S. loan freeze to Chile

WASHINGTON, August 17.

...ILE'S failure to sign a com...nsation agreement with the ...rro Copper Company is the ...ain reason for U.S. refusal to ...ake new loans to the Santiago ...vernment officials said to-day.

It was the first indication that ...y of three recently national...d U.S. copper companies in ...ile had been near a settlement ... terms of compensation.

Last month Chile expropriated ...e mines and interests of the ...rro, Kennecott and Anaconda ...pper companies, fulfilling an ...ection pledge.

The officials said the govern...ent of Chilean Marxist Presi...nt Salvador Allende had ...omised three times to sign an ...reement with Cerro.

...uter

HURRICANE BETH MOVES NORTH

HALIFAX, August 17.

...RRICANE Beth was moving ...thward through Nova Scotia ...lay leaving a trail of flooded ...nes, wrecked buildings and ...akened dams in its wake.

Many people were driven from ...ir homes in what were ...cribed as the worst floods in ...ent years in the province. ...mage was put at millions of ...lars.

...ter

U.S. military admits B-52 bombing of DMZ

SAIGON, August 17.

THE U.S. military command to-day acknowledged for the first time that American B-52 aircraft have bombed targets inside the southern half of the demilitarised zone dividing the two Vietnams since a halt to the bombing of North Vietnam in 1968.

It was the first time the command has admitted that the giant eight-engine aircraft have crossed into the no combat zone to rain hundreds of tons of bombs on suspected North Vietnamese positions.

A command spokesman said B-52s and other American warplanes have never gone north of the Ben Hai River which splits the six miles wide no-man's land.

The spokesman was unable to give the exact number of times the B-52s have flown inside the DMZ since President Lyndon Johnson ordered a halt to bombing of North Vietnam in November of 1968.

"However, B-52s have been hitting the southern half of the DMZ periodically since the 1968 bombing halt," the spokesman said.

He pointed out that the southern half of the no-man's land was South Vietnamese territory and the bombings in no way had infringed on the bombing halt of North Vietnam.

He said that the giant bombers would continue their strikes inside the DMZ whenever the command felt American and allied personnel were endangered.

Asked why the command for the past two and a-half years had denied or evaded answering the question of B-52 strikes inside the DMZ, the spokesman said:

"We have to be purposely vague about B-52 missions in South-East Asia for the security of the crews. The B-52s are particularly vulnerable to surface-to-air missiles and the closer their strikes are to North Vietnam then the greater the danger."

The spokesman said the B-52s only crossed into the DMZ when there were "meaningful targets" to attack. Intelligence reports have indicated for several months that the North Vietnamese were using the no-man's land as a staging area for troops.

There are also reports that the North Vietnamese are building a series of roads from east to west above the Ben Hai River in their own territory and another road which slants across the western edge of the zone towards the border corner of South Vietnam and Laos.

The command's admission that it was bombing inside the DMZ came after several days of intense questioning by newsmen of American support for South Vietnamese on border outposts who have been under constant shelling attacks for almost one week. American troops, who previously manned the DMZ bases, have now withdrawn behind the first line of defence.

In Paris, Hanoi has accused American artillery and planes, including giant B-52s, of shelling and bombing villages in North Vietnam and the demilitarised zone, the North Vietnamese news agency reported to-day.

The agency, in a dispatch received in Paris, quoted the Foreign Ministry as saying that U.S. B-52s bombed the village of Huong Lap in the DMZ on August 15, and that on the same day other U.S. warplanes struck Vinh Thuy and Ho Xa in North Vietnam, causing numerous civilian casualties.

In Saigon, Cambodia and South Vietnam have held talks on what appears to be a "Cambodianisation" of the war against the Viet Cong and North Vietnamese units operating just across South Vietnam's Western border.

These discussions are thought to have centred on a timetable for withdrawal of most of the 10,000 South Vietnamese forces which have been sent into south-eastern Cambodia since last May.

Reuter

Third largest American steel company formed

BY JUREK MARTIN

NEW YORK, August 17.

A NEW STEEL company has emerged this week as the third largest in the industry in the country. It results from the merger that has now become effective by which National Steel, the fourth largest concern, has taken over Granite City Steel, which had been ranked eleventh.

The new company, in which Granite will operate as a subsidiary of National under its present name, will take over from Republic Steel in the country's steel ranking, behind only U.S. Steel and Bethlehem Steel, in terms of shipments.

Last year National Steel made a profit of $59m. (or $3.58 a share) on sales of $1,250m.: Granite earned $3.6m (or 76 cents a share) on sales of $198m. Based on yesterday's closing share prices National will be paying about $84m. to take over Granite.

The merger has considerable importance over and above the simple emergence of one still larger steel company. The anti-trust division of the Justice Department in Washington had been looking very closely at this proposed arrangement. Indeed, completion of the merger had been delayed until the start of this week in order to give the Justice Department a last, long look at the matter.

Although it has really made no positive comment on the subject, it would appear that the Department is prepared to let this agreement stand. This could be of considerable importance to the steel industry, since it could well encourage further consolidations and mergers between companies who would not now be afraid of incurring the Justice Department's displeasure.

One of the more recent and celebrated confrontations between the industry and the Justice Department ended in 1965 when Bethlehem abandoned its attempt to take over Youngstown Sheet and Tube. The last major steel merger that did go through was that in 1968 between Wheeling Steel and Pittsburgh Steel.

According to Mr. George Stinson, National's president, one of the major advantages from National's point of view is that the merger obviates the need for the company to build a new hot-strip mill to supply its mid-western markets. It will now be able to use Granite's modern hot-strip mill in Granite City, Illinois.

FIAT ASSEMBLY FOR LORRIES

By Peter Tumiati

ROME, August 17.

FIAT issued a statement to-day clarifying last week's report that the company is to run an ex-Ford plant in Chile. It said that Fiat has secured a contract from Chile's Corporacion de Formento to supply the parts for the assembly of 3,000 medium-heavy lorries.

They will be assembled in the former Ford plant of Casablanca which at present is held by the Corporacion de Formento. CorFo will undertake all management responsibilities on both the commercial and technical side. Fiat will not make an investment in the plant and will limit its activity to technical assistance in the assembly of the vehicles and to assistance to their users for the guaranteed period of the vehicles.

NIXON'S 10% IMPORT SURCHARGE

Ready for a tough reception

BY GUY DE JONQUIERES

THE UNHAPPIEST and the most confused group of men to be found in the U.S. this week are undoubtedly the importers. President Nixon's decision to impose a 10 per cent. surcharge on almost all dutiable imports not already subject to quotas has left many of them with an unpalatable choice: either to pass on the tax in higher prices and risk a sales loss, or absorb the extra cost themselves and cut profits. The air of gloom emanating from foreign car showrooms, liquor and wine importers, electronic goods importers and the like has been almost tangible. The prospect of additional costs arising from a de facto devaluation of the dollar when the foreign exchange markets reopen has blackened the outlook even further.

Among domestic American industry, on the other hand, the reaction to the new trade barrier has been rather mixed. On Wall Street investors took a new interest in primarily home-based industries and a good deal of the money that poured into the market on Monday flowed into those sectors, like machine tools, which have suffered heavily from foreign competition in the past. Businessmen themselves were less positive in reaching such an optimistic conclusion. Dependent on imported raw materials, they feared they might actually suffer from the new import measures. Others were merely too preoccupied with the specifics of Mr. Nixon's new policy—the workings of the wage-price freeze, removal of the excise tax on cars and reinstatement of the investment tax credit—to be able to sit back and make an overall assessment.

Workers clean up the debris on the floor of the New York Stock Exchange after Monday's hectic trading, when a record 31.7m. shares were traded.

Most vocal

Reactions from abroad have not been so muted. Japan, which sends almost 30 per cent. of its exports to the U.S., has been the most vocal in its protests. It remains to be seen whether it will decide to retaliate—possibly by abrogating its voluntary agreements to limit exports of steel and textiles to the U.S.—but the potential for a further disruption of world trade relations through retaliation clearly exists. At the least, the Nixon Administration is likely to face a tough reception from the other member nations when its surcharge proposals come up for formal consideration before the General Agreement on Tariffs and Trade in Geneva.

In view of the recent background to President Nixon's decision to take at least a temporary step towards protectionism, perhaps there should be some relief that he limited his action to exercising his authority to impose higher tariffs. He did not, for instance, ask Congress to impose mandatory quotas. The major economic argument for preserving the dwindling surplus on the U.S. trade account has always been that this serves to offset the mounting deficit on capital account. And when the balance swung from a surplus of $2,700m. last year to a deficit during the second quarter of this year, the Administration's last line of defence against the growing capital outflow was seen to have crumbled.

But while the deterioration of the balance of payments has been brooded over both in the U.S. and abroad, the Nixon Administration has recently been faced with another, rudely political challenge on its own doorstep. Whatever Mr. Nixon's instinctive feelings might be about free trade he has been forced to take an increasingly crimped position over the past two years by the rising wave of protests from small-and medium-sized industries which have complained that their home markets are being eroded by cheap foreign imports. The protectionists came within a hair of getting their way last year, when a highly restrictive quota bill was defeated in the Senate by a narrow margin and there has been ample evidence that they are still baying for blood.

While President Nixon has avoided the menace of statutory quotas, the protectionists have got at least part of what they were seeking. The surcharge, which is expected to have an almost immediate and noticeable impact on imports, will be imposed on all dutiable imports not subject to quotas under existing legislation. This includes such major categories as industrial heavy machinery, machine tools, electronics, cars, textiles and many consumer goods. The surcharge will not, however, cover duty-free imports like green coffee, bananas and newsprint or commodities like sugar and petroleum, which are already subject to quotas of one kind or another.

The burden of the surcharge on foreign car importers has been mitigated, to some extent, by the abolition of the 7 per cent. federal excise tax on motor vehicles. But foreign cars will still have a more difficult time retaining their competitiveness with domestic American products than in the past. Apart from the surcharge itself, American car prices have been held down by the 90-day price freeze, which forced Ford and General Motors to roll back their previously-announced price increases. In addition, under a bilateral agreement, American cars manufactured in Canada will not be subject to the surcharge since they are not dutiable.

In other areas, however, the benefits to U.S. industry are not so clear. The exemption of many raw materials, such as minerals and ores, from the surcharge, should help to keep the cost of industrial commodities down. But many bigger companies, and particularly the multi-nationals, find that the surcharge and the probable de facto devaluation of the dollar, will cut both ways.

One obvious case is the aerospace industry. It looks as though Lockheed may receive a special dispensation for the Rolls-Royce RB-211 engines which will power its L-1011 TriStar but other manufacturers, which have sub-contracted work to companies and subsidiaries abroad, may not be so lucky. The tail-plane of the McDonnell-Douglas DC-10, for instance is being made in Canada and is already dutiable. It is therefore subject to the 10 per cent. surcharge on top of the duty already being paid. A similar problem faces the multi-nationals which have set up manufacturing subsidiaries abroad in order to benefit from lower wage costs outside the U.S., or which hold the distribution and sales licences for goods like cameras, televisions, and hi-fi equipment imported from Japan and the Far East, which have the lion's share of the U.S. market for these products already.

The precise application of the surcharge in many areas is still unclear. It is not yet certain, for example, whether it will affect steel imports, which are governed by a voluntary agreement with the Common Market countries and Japan. Similarly, no hard and fast decision has yet apparently been made on man-made fibres, which are also subject to voluntary restrictions imposed by Japanese textile exporters, which went into effect on July 1.

Fair value

The surcharge also raises legal problems in other areas. A case in point is the operation of anti-dumping penalties, such as those imposed on Japanese television imports earlier this year. Anti-dumping duties are based on a finding that imports are being sold at less than fair value relative to their price in the country of manufacture. But if their imported price is inflated, firstly by the surcharge and, secondly, by the effect of a floating dollar, how can the comparison be assessed? It may be legally possible for the foreign exporters of such products to seek a redress through the courts, though as yet, nobody seems able to give a definite opinion on this.

Looking ahead, however, it is clear that the decision to impose the surcharge and to permit the dollar to float down in the foreign exchange markets only provides a solution for half of America's foreign trade problem —and an essentially short-term solution at that. Just how long Mr. Nixon intends to maintain the surcharge and in what conditions he will judge it right to remove it, is unknown. He himself has described it as temporary and said that it will remain until "unfair treatment" of the U.S. in international markets is ended—a singularly vague commitment.

However, those foreign governments that have received the news of the surcharge with concern will also be watching closely to see what the U.S. does to deal with the other side of the foreign trade problem: that is, stimulating exports. It is easy enough, in theory anyway, to cure a trade deficit by simply cutting down on imports until their value is less than exports, but it is difficult to make such a remedy stick without resorting to permanent controls. And during recent years, at any rate, the balance of U.S. foreign trade has been a function of the rise and fall of the value of imports rather than of exports, which have obstinately resisted attempts to stimulate them.

Tax credit

Several steps which could revive the U.S. export performance were contained in President Nixon's package announced on Sunday night. One is the proposed creation of a "domestic international sales corporation" which would permit the deferral of tax payments on exports. (The Administration claims that this would put U.S. exporters on an equal fiscal footing to exporters in the Common Market countries which are exempted from the Value Added Tax.) Another is the restoration of the investment tax credit, at an unusually high level, which, it is hoped, will provide an incentive for capital investments. It supplements a liberalisation of depreciation schedules put into effect earlier this year. Finally, a depreciation of the dollar will restore some edge to U.S. products on foreign markets.

However, the impact of these measures is still incalculable and will, in any event, take much longer to show up than the effects of a mandatory surcharge on imports. The level of new equipment expenditures by American industry over the past two years has been meagre, and the most acute problem is not one of installing extra manufacturing capacity but of replacing outdated equipment now in use. It may take several years before the benefits of more efficient capital equipment show up in reduced unit costs, and these will have to be substantial if they are to offset the sharp rise in labour costs which has occurred over the past 18 months.

Uruguay ransom met

MONTEVIDEO, August 17.

A LEADING textile mill announced here to-day it has paid a 100m. peso (£156,000) ransom demanded by the left-wing Tupamaros urban guerilla organisation for the release of kidnapped Argentine industrialist Jorge Berembau.

Senor Berembau, 23, whose family owns several textile mills here, was abducted by the Tupamaros on July 12. Two weeks later the Tupamaros issued a statement demanding the ransom be deposited to the joint order of three textile trade unions for distribution among workers who had been laid off in the textile industry.

The Tupamaros are also holding four other captives, including British ambassador Geoffrey Jackson.

Reuter

Barbados election date

By Our Own Correspondent

BRIDGETOWN, August 17.

THE GOVERNOR-GENERAL of Barbados, Sir Winston Scott, yesterday dissolved the island's Parliament, thus clearing the way for the first general elections since Independence in 1966.

The election will be held on September 9, and nominations for the 24 constituencies will close on August 25.

Prime Minister Mr. Errol Barrow's Democratic Labour Party will be seeking a mandate for its third successive victory. In the last elections in November, 1966, it won 14 of the House of Assembly seats to eight by the Barbados Labour Party and two by the Barbados National Party. The forthcoming elections are expected to be a straight fight between the BLP and the DLP.

Export News

U.S. to make temperature controllers

SKIL-S.K. Instruments of Skelmersdale, Lancashire, has concluded a licensing agreement with the Robertshaw Controls Company of America for the manufacture of SKIL's SERIES-NINE range of set point controllers and indicators in the U.S. and South America.

The terms of the agreement—signed by Mr. L. O. Johnson, general manager of the Fulton Sylphon Division of Robertshaw and Mr. Herbert Slack, managing director of SKIL—indicate that over the next few years the market in the Americas for these all-British design instruments is expected to reach a multi-million dollar level.

SKIL SERIES-NINE controllers and indicators embody in their design deviation dependent sensitivity—a non-linear proportional mode control which offers a number of benefits over normal three-term control, the company maintains.

The agreement follows stringent technical evaluation of the designs by Robertshaw in terms of performance and reliability, suitability for the American market, and acceptability by American instrument engineers.

DEALING WITH EASTERN EUROPE

'New look' sales give boost to Serck Audco

BY DAVID CURRY, EXPORTS EDITOR

SERCK AUDCO VALVES has won a £200,000 order for valves to be supplied through the Polish buying organisation Varimex to the Polish liquid sulphur industry. The valves will be delivered over an 18-month period.

In addition a major firm in the Polish refinery complex at Czechowice has led to an order for shut-off valves worth £100,000 due for despatch about the end of the year to be advanced by three months, and there is a strong prospect of duplicate orders next year.

Direct sales by the Shropshire organisation to Eastern Europe now account for more then 10 per cent. of production, and are worth in the region of £350,000 a year.

In 1967-68 sales to this area were less than 1 per cent. of production.

Mobile

The acceleration in sales to Eastern Europe reflects the success of the "new look" marketing policy introduced two years ago by the export sales manager, Mr. W. A. Goeting.

The company dispensed with the services of intermediaries operating out of Vienna in favour of direct selling from the U.K.

In addition, it pulled out of exhibitions which it found very expensive and inadequate as a means of getting in touch with user companies. The company acquired a Volkswagen mobile exhibition vehicle (bought in Germany, taxed in the U.K. and based in Austria) which is used to visit plants and to service outside sites at exhibitions.

"We aim to get to the point," said Mr. Goeting, "when the user company tells the buying organisation: We must have these particular valves."

Mr. Goeting emphasises the importance of sales and technical literature, which is produced only in foreign languages for overseas sales and subject to colour coding.

The company produces lubricated plug valves, made also in its European factories, and ball valves and butterfly valves which are produced in the U.K. only. Some 45 per cent. of U.K. output it exported, about two-thirds of this going to Western Europe. In the U.S. the company has an agreement with Rockwell covering plug valves.

Mr. W. A. Goeting—first class by Volkswagen.

Czech joint ventures under the microscope

By Our East European Correspondent

U.K. manufacturers considering entering into industry co-operation agreements with manufacturers in Czechoslovakia will have an opportunity to discuss their practical prospects during a Czechoslovak Engineering "Week" to be held in London from November 15 to 19. On paper, at least, the prospects should be good since Czechoslovakia intends to step up its own exports of engineering products by more than 50 per cent. in the newly started five-year period.

The week will be particularly interesting in that it is expected that leading engineers and scientists, as well as trade officials, will be attending. This means that British businessmen will be able to learn at first hand something of grass roots thinking about the Czechoslovak Government's recent pronouncements that economic "consolidation," embarked upon in April 1969, has now been effectively achieved.

Commitments

They will also be able perhaps to learn more about Czechoslovakia's future commitments to the Comecon group, and how the recently announced multinational integration programme looks from Prague.

The week is being sponsored by the Czechoslovak Chamber of Commerce and the London Chamber of Commerce and Industry. The LCC says industrial co-operation is probably more advanced with Czechoslovakia than with any other East European country, but notes that West Germany, France and Italy are also making very rapid commercial headway.

U.K. agreements already made cover computers (Ferranti and the National Computing Centre); float glass (Pilkingtons); motor components (Rubery Owen); and textile machinery (Courtaulds). In addition, there is an inter-Governmental science and technology agreement, and "a protocol of co-operation" between the two chambers.

Demonstrations

The organisers of the week are hoping to hold working demonstrations and symposia on machine tools, marine equipment, chemical industry equipment, turbines, rolling mill equipment, and foundry equipment. Its importance is underlined by the fact that the Czechoslovak delegation to visit London at the time will be led by Mr. Ivan Peter, Deputy Minister for Foreign Trade.

A British delegation, led by Mr. Leopold Friedman, head of the LCC's Czechoslovak Section, will be at the Brno Trade Fair from September 11 to 20.

In the first six months of this year U.K. exports to Czechoslovakia amounted to £20.4m., and imports to £22.8m.

Commons speech limit sought

By Richard Evans

A TIME limit on the speeches of frontbenchers and MPs in certain short Parliamentary debates is recommended in a report of the Commons Select Committee on Procedure published yesterday.

The committee argues that in short emergency and half-day debates and in debates on detailed legislation, frontbench speakers and movers of the motions should be limited to a maximum of 20 minutes and backbench speakers to 10 minutes each.

A proposal that warning lights should be flashed once MPs speak for longer than a set period is rejected by the Committee but it does recommend that the installation should be considered of large stop clocks in the galleries to show MPs the length of time they have been speaking.

The experiment to limit speeches in certain debates was agreed after the committee had heard evidence from the present Speaker, Mr. Selwyn Lloyd, and his predecessor, Lord Maybray-King, about the difficulty of limiting the speeches of some MPs.

Firm hand

But Mr. Lloyd detected "signs of definite progress at the moment" in the limitation of speeches and was reluctant to accept the need for an imposed limit until he had pursued his experiment of voluntary curtailment a little longer.

The Committee fully endorsed the Speaker's view that in regard to front bench speakers "what is needed is a fairly firm hand."

Lord Maybray-King (formerly Mr. Horace King) recommended a time limit on speeches because on any subject at least three times as many members wanted to speak as were called.

Among a number of other detailed procedural recommendations are the setting up of pre-legislation and post-legislation committees to smooth the passage of Bills through Parliament and to inquire into difficulties caused by legislation and the abolition of the "counting out" of legislation.

Select Committee on Procedure, session 1970-71; the process of legislation. SO; £2.90.

GARDENS TO-DAY

Long lasting Penstemons

BY ROBIN LANE FOX

GIVEN THE choice, would you rather a life that was short and glorious, or one that was long and mediocre? Myself, I would choose the short sharp flash: better an Achilles than an H. G. Wells. But in my garden, bravado is more questionable, though many of my favourite flowers will only last for a day or less. Certainly, brief life is part of their attraction, allowing variety and rapid change; whoever felt excited about the opening of a China Rose or hurried to show it off, knowing that for the next six months it would be continuously in flower?

Fast fading

But equally, where space is limited, time must be respected and a garden filled with fleeting beauties is sure to look thin if it is small. The Bloodroots, the Peacock-flowers, the species Paeonies and the Large-flowered Magnolia are the fast-fading prima donnas on the garden stage and lovely though their performance is, they need a chorus and a background. In August, this is especially obvious, as many of the "stars" have had their day and tend to leave an awkward lull behind them. The old stagers come into their own and the longer they last, the more they contribute.

To make the search for long lasters even more difficult, I will think, like most gardeners solely in terms of flowers. Our gardens would be very much subtler if we dropped this habit and began to consider the leaf first but as I cannot imagine nursery catalogues describing their goods in terms of their shape and greenery, mentioning flower and colour only as points of additional interest, I bow to the wishes of the majority and look round for long-lasting flowers to prolong what the lovers of colour call the show.

Even here, I have reservations. How often gardeners will say "and what's more, it goes on and on," as if their new Rose was a car salesman or the minutes of the last meeting; only bores, I reply, do not know when to stop and if they are dazzling, it is so much the worse. Rose Masquerade is a bit like Oscar Wilde with verbal diahorroea.

For an answer, I refer you to the Penstemons. I cannot understand why more gardens, great and small, do not give large areas over to these long-lasting and obliging flowers, which have been unfairly described as unable to stand an English winter. In Northamptonshire, we grow

Penstemon hartwegii, 'Firebird'

several different varieties, and in the past seven years not one has been killed by frost, though nearby bushes of Rosemary, Hydrangea and even Buddleia have been cut to the ground.

Tubular flowers

The season begins with a mauve pink variety which is called Fruticosus, in my opinion, though Penstemon names are a muddle which needs sorting out. Its flowers are tubular, their outsides blue-mauve, their insides lilac-pink and they are held on upright spikes some 15 inches high above a shrubby bush of leaves about six inches tall and as much as a foot and a half wide. Their first display is in late May but even now, in mid-August, there are plenty of spikes showing, more on those bushes which have been dead-headed, fewer on those which have not.

In the next-door bed, there is a matt scarlet variety called Firebird (in Latin, the awful Schonholtzeri) which begins in July and ends in late October. Like its mauve neighbour, entirely hardy in my exper... and a useful, if rather boring, filler.

Softer and more refined, is one called Myddleton with larger pink tubular fl... whose insides are white l... miniature Foxglove. Its l... are flabbier and less gloss... in cold gardens its two-foot... might get frosted, though I never lost it yet.

It is a very gentle colo... mix with the harsh yello... August and, for effect, we ... several purples and pale ... which were lost from the fa... garden at East Lambrook M... near Petherton, Somerset. ... owner, the late Margery ... was a vigorous champion of Penstemon and as the gard... being kept up in her mem... issuing lists of plants she grew, it should be possibl... get many of the unusual ma... and whites which she enjoy...

Those who fear the w... should take Penstemon cut... in October and keep them ... shed, garage or kitchen (fa... a frame or greenhouse) ... spring. The one vital poi... never to cut them down, li... herbaceous plant, in late aut... Their green growth, how... shrivelled, protects them a... is most cruel to remove it.

If you are adventurous, ... can try the Penstemon ... which catalogues list as ... hardy annuals, sowing it in warmth in a box in A... pricking it out in May, plan... it out in early June, enjoyin... unusual flowers of brown-pu... and white in autumn and lea... them alone, to disprove ... catalogue by surviving all the fiercest winters and las... year after year.

The solution

In paving, in borders, u... walls, in formal beds, these l... lasting Penstemons seem to the solution to the garden dilemma. They go on and without being dull and they always there while other lov... and briefer beauties take t... momentary bow. Given ... choice, after all, perhaps I w... prefer to be a Penstemon ... play safe, making up for mo... glory by a long and entertai... life.

Opel to get U.K. parts

AC-DELCO, the General Motors subsidiary with plants at Dunstable, Kingsbury, Liverpool and Southampton, has announced a £2m. a year deal to supply parts for Opel cars, the GM subsidiary in Germany.

"This contract vastly increases our overseas equipment trade," said AC-Delco. "The company manufactures the widest range of automobile accessories in Europe and have supplied Opel with parts in the past, but never to this extent."

Final details of the contract have yet to be worked out, but negotiations between AC-Delco's equipment sales department and the Opel headquarters in Russelsheim, near Frankfurt over the past year have resulted in a firm contract to supply the parts.

The AC-Delco equipment being exported to Germany will include window regulators, windscreen wipers, door latches and heater motors.

Glory trail

GLORIA, the London designer of men's clothes who includes Tom Jones, Sean Connery and Stanley Baker among her clients, is the only British designer chosen to design special collections for the International Menswear Week starting in Cologne to-day.

A naturalised Briton, Gloria, aged 28, was selected by the International Wool Secretariat, the International Institute for Cotton, and the International Fashion Council.

Man-made fibres hit £109m. peak

AIDED by buoyant overseas demand for knitted fabrics, British exports of man-made fibres forged ahead in the first half of 1971 with a record total of £109m., over 12 per cent. ahead of last year's showing of £97m.

The British Man-Made Fibre Federation, commenting on the figures, says that the growth rate is increasing and that the full year's total may well exceed £218m.—twice the half-year total—compared with the £195m. record established last year.

Knitted

Exports of staple fibres were slightly down at £22.5m. but yarn exports, mainly filament, totalled £44m. compared with £39.5m. in the first half of last year.

By far the largest growth was in exports of knitted fabrics which reached £27m. as against £18m. in the first half of last year. Figures issued by the Department of Trade and Industry show that, for knitted piece goods wholly made from man-made fibres, exports in the first five months of this year were about double last year's, both in terms of yardage and of value. The strongest performer was acrylic knitted goods, which showed a nearly fourfold increase from 4.5m. square yards to 16.3m. Exports of polyester knitted goods nearly trebled from 6.8m. square yards to 17.2m. while nylon knitted goods went from 2.6m. square yards to 5.4m. Knitted net cloth, in contrast, dropped by some 50 per cent.

Exports of woven fabrics in man-made fibres changed very little in the first five months of the year as a total but there were considerable variations in performance. Woven tyre cord exports dropped sharply while continuous filament cloths made from fully synthetic or cellulosic fibres, used in dress and furnishing fabrics, moved ahead.

Melbourne tube work

A BRITISH firm is one of a consortium of four international consulting engineers who have been appointed to begin work leading to the detailed design for the construction of the Melbourne underground rail loop.

The firms are Mott Hay and Anderson of London, John Connell and Associates of Melbourne, Hatch Associates of Canada, and Jacobs Associates of San Francisco.

All design work by the consortium will be carried out in the Melbourne offices of John Connell and Associates. Estimated cost of the rail loop is $A80m.

Preliminary work started in June on the construction of under-passes, minor tunnelling and new sidings. A start on the four tunnels—in pairs one above the other—and three underground stations is expected in 1973.

Calf-love

A CONSIGNMENT of 39 Hereford, four Galloway, two Aberdeen Angus and five Shorthorn pedigree bulls has left Lowestoft for the Baltic port of Riga, to be used to improve the Russian beef herds.

A further consignment of Hereford bulls has been selected and will be shipped during the first week in September. Total value of the combined order is £73,000.

Selection and shipment has been arranged by United Livestock Exports. This is the third consecutive year that the Russian cattle purchases from the U.K. have been handled by this company.

Hardware

THE Hardware Manufacturers' Association in conjunction with the Board of Trade is sponsoring groups to participate in the New York Hardware Show from October 11-14 this year and the Canadian National Hardware Show in Toronto in February, 1972.

Five companies will show at the New York exhibition and 13 will be at the Canadian fair.

SEMINAR ON JAPANESE SHIPBUILDING

The University of Strathclyde's Department of Shipbuilding and Naval Architecture will hold a seminar in Glasgow on September 8 at which the performance and techniques of the Japanese industry will be systematically examined.

The seminar is the first in a series designed to examine the lessons for British shipbuilding and shipowners arising from the enormous expansion of international merchant fleets. European and British performance will be considered later.

IN BRIEF

TIR Swiss link with Midlands

A NEW TIR road trailer service has been introduced by international freight forwarder Alltransport to provide Midlands industries with a direct 72 hour cargo link with Switzerland.

The new service is a development of the company's previous method of shipping groupage traffic to Switzerland via train ferry. Departures will be from Birmingham each Thursday, and from Stoke-on-Trent each Friday, arriving in Basle on Monday.

Beresford Transport will be the carrier for the service. For plant in excess of 3,000 kls. Beresford will collect direct from the shipper's factory; smaller loads can be delivered either to Stoke-on-Trent or Birmingham, or alternatively collected.

*

Two trawlers worth $3½m. are to be built by the Halifax Shipyards Division of Hawker Siddeley Canada for National Sea Products, of Halifax, Nova Scotia. The trawlers are of a new design capable of mid-water trawling (midway between ocean bottom and surface) as well as ground fishing. The vessels, each 150 feet long, will be completed in autumn 1972.

Four similar vessels are being built by two other yards, Ferguson Industries, of Pictou, Nova Scotia, and Newfoundland Marine Works, Marystown, Newfoundland. An engineering service to these yards is being provided by the Halifax Shipyards Division.

The six new vessels will bring the National Sea Products' fleet to 36 in Canada and eight in the U.S.

*

More than 2.5 miles of 30-inch-wide specially constructed conveyor belting has been supplied by the Belting Division of Dunlop, Speke, for a jetty installation at Concepcion Bay, Chile.

The jetty conveyor—over a mile in length—will be used as a ship-to-shore discharge system to stockpile phosphate and sulphur at a rate of 400 tons per hour. The belting is of all-nylon construction with specially designed covers to resist ozone and chemical attack.

The works were designed and constructed by George Wimpey and Co.

*

British companies will exhibit musical instruments, gramophone records and accessories at the Leipzig Autumn Fair next month. They include Boosey and Hawkes (Sales), Rudall Carte and Co., Vistnin Export and Import Company (Educational Records) and the Linguaphone Institute.

The fair, the largest ever held in Leipzig, has attracted 6,500 companies—90 of them British—from 55 countries.

Scottish venue for 'youth travel workshop'

By Elsbeth Ganguin

TRAVEL agents and tour operators from 17 countries are expected to attend a "youth travel workshop," organised by the British Tourist Authority at Stirling University from August 24 to 27.

This "form of tourists marketing" will be run in association with the Scottish Tourist Board, BOAC, Caledonian-BUA and British Rail. The idea is for overseas buyers to meet representatives of U.K. organisations with tourist services to sell.

On the U.K. side will be 80 organisations specialising in youth travel and holidays, and in educational visits. The declared hope is to increase Britain's share of the organised youth travel movement.

New P & O liner named after London

By James McDonald, Shipping Correspondent

P & O's new £10m. cruise liner, which is being built in Genoa, is to be called Spirit of London. The ship will be completed by autumn next year and will operate in the American west coast market, based on San Francisco.

Mr. Jim Davis, a director of P & O Lines, announced the name of the ship in New York during a promotional tour of the U.S. "The U.S. is the largest potential market for cruising in the world and in our new cruise liner we are certain we can offer discriminating American passengers a fine cruising ship.

"Spirit of London is the first of our second-tier passenger fleet of small purpose-built cruise liners, designed to retain P & O's world leadership in cruising right through the 1980s."

The liner, as already reported in the Financial Times, will carry about 750 passengers and is intended for short cruises. Her first U.S.-based cruise will start on November 18 next year.

£450,000 urban projects approved

EXPENDITURE of some £450,000 on non-capital projects under the Urban programme to help areas of special social need has been approved, the Home Office announced yesterday.

The projects, ranging from housing aid centres to playgroups, will be aided by 75 per cent. Exchequer grant, in most cases for up to five years.

The approvals cover a total of 222 projects put forward by 93 local authorities in England and Wales.

SAMSON-SYSTEMS INTER FREIGHT CONTAINER LINK

Systems Interfreight—the U.K. general agents of the container marine lines division of American Export Ishrandtsen Lines—has joined with Samson Transport Company, of Copenhagen, to offer a new full-load container forwarding service between the U.K. and Denmark.

Mr. Klaus C. Bogstad, U.K. sales manager for the new service, said that the Systems Interfreight's six offices in the U.K. and Samson's 11 offices in Denmark—combined with a full range of 20-foot, 30-foot and 40-foot containers and flats—would provide a comprehensive service in both countries.

GLC extending its 100% mortgages to the single

BY JOHN HUNT

THE Greater London Council is extending its 100 per cent. mortgage scheme by granting home loans to single people of both sexes and by loans for flats and maisonettes built after 1939.

Announcing this yesterday, Sir Desmond Plummer, leader of the council said: "We found we were having a number of applications from middle-aged single people whose requests we could not meet. It only seemed fair that this category should be included.

"Thus they can build up a capital asset rather than continue to pay rents."

Until now the scheme has excluded single people and has been granted only on property built prior to 1939. One reason behind the new move has been some slackening off in pressure for GLC mortgages due to the immense expansion of building society loans in recent months.

Inquiries for mortgages have been running at the rate of 3,000 a week but only 200 a week have been granted. The GLC can loan up to £55m. a year in mortgages and it was felt there was room to expand to new areas without running the risk of exceeding this limit.

Steady income

Sir Desmond said there would be no discrimination against any class of single person.

"If an unmarried mother applies for a loan and is otherwise eligible she will be given a mortgage. The same applies to unmarried fathers," he said.

For a long time it had been apparent that single men and women were by-passed by the scheme. The GLC particularly had in mind the plight of the middle-aged single man or woman who found it difficult to get a mortgage.

All would have to prove that they had a steady income adequate to cover repayments and were not trying to buy a property that was too big for them.

The GLC rule that monthly mortgage repayments must not be greater than one-fifth of income will limit the availability of loans. A person wanting a £5,000 loan would have to earn £38 a week to qualify.

"It obviously limits it," said Sir Desmond. "But an increasing number of women are earning good money and would be able to pay for a mortgage."

GLC officials do not expect a great rush of single applicants. The main demand will come from married couples wanting to buy post-1939 flats and maisonettes. They will be assisted by the GLC ruling which allows a wife's regular earnings to be taken into account.

Single people of limited means might also meet a difficulty over the valuation of the property they wish to buy. The GLC often values this at 10 per cent. less than the price being asked and the purchaser thus has to meet this difference by paying a lump sum.

However, GLC officials believe that this may be offset by the fact that many middle-aged si... people have a nest-egg saved and will be able to make a ... able down payment.

The maximum loan is £... and the rate of interest was ... to 8½ per cent. in May or 8... cent. under the option-mort... scheme. The extension of ... scheme also applies to lease... property where 100 per ... mortgages are available if a l... has 60 years or longer to ru...

Rank Film Library buys U.S. education series

BY JOHN CHITTOCK, INDUSTRIAL FILM CORRESPONDENT

AN AMBITIOUS American series of educational films, made for the Learning Corporation of America, has been acquired by Rank Film Library for distribution in the U.K.

Initially involved is a list of 23 titles, due for release next month and covering a range of subjects in the humanities. Areas covered include the French Revolution, the Age of Romanticism and Serfdom in England.

What is significant about the films is the degree of production quality that has been put into them—when hitherto, due to the economics of the educational market, the average educational film was of more modest achievement.

The new films involved a number of well-known actors, including names such as Donald Pleasence and Rupert Davis. They eschew the old didactic ideas of the traditional educational film, and are liberally sprinkled with drama and action.

The results, as seen in a sample viewing yesterday, are not always successful—but the approach is a milestone in new attitudes towards the educational market.

Cassette market

With the possibility of video-cassette rights offering further revenue for the films, there is little doubt that the promise of the cassette market may have encouraged the kind of investment evident in these productions.

To overcome objections from British teachers, some of the American dialogue in the films has been dubbed into English—while others have been made with British actors.

Tyne puts up port charges again

INCREASED operating costs, industrial troubles and overseas imports of coal hitting the local trade have forced the Port of Tyne Authority to put up charges for the second time in five months.

In April, the Authority raised its conservancy charges on goods and ships by an average of 5 per cent., the first increase levied in more than three years.

But from September 1 the charges on coal and coke will jump 20 per cent. and by 13 per cent. on most other commodities. Various increases will be levied on ships according to their ports of origin and destination.

A PTA spokesman said the higher charges were being introduced to offset massive increases in maintenance costs, particularly wages.

U.K. Concord may fly again this week

By Michael Donne

THE British-assembled Conco... supersonic airliner prototype ... is expected to undergo en... runs at its Fairford, Glouce... shire, base to-day, and may ... again before the end of this w...

The aircraft has been on ground for several weeks ... exhaustive tests and ... modifications, to prepare for the next phase of flight test programme. In parti... lar, the tests have been desig... to ensure that there has been ... damage to the aircraft follow... a flight in which a U.S. ... subjected the aircraft to gre... than normal stresses.

The checks, however, ... shown that there has been ... strain of any kind on the aircr... and the bulk of the period on ground has been devoted to normal checks and the modif... tions which had been planned ... some time.

More visit Scotland's galleries

ATTENDANCES at the Nati... Gallery of Scotland jumped about 20 per cent. last year.

There were 210,674 visitors ... 1970, compared with 179,261 ... 1969—despite the fact that the gallery was closed for mos... the year for reconstruction ... air-conditioning.

There were 218,278 visitors ... the Scottish National Gallery ... Modern Art, compared ... 222,678 in 1969.

The Scottish National Port... Gallery and the National Mus... of Antiquities of Scotland ... 106,712 visitors, compared ... 101,393 in 1969.

GLASGOW BUYIN... FOOTBALL GROU...

Glasgow Corporation is ... ing the former Cathkin Pa... hall ground from the ... contractors James Laidl... Sons for £36,500.

The 11½-acre ground will be ... tained as an open space by ... parks department and may ... mately be used as a sports ce... similar to the Bellahouston ... type sports centre opened a... years ago.

هكذا من الأصل

European News

Yugoslavs scorn idea of anti-Soviet axis in the Balkans

BY MICHAEL SIMMONS, EAST EUROPEAN CORRESPONDENT

THE POSSIBILITY that "an anti-Soviet axis" in the Balkans may be brought about by the Chinese—raised in a Soviet-inspired article in the Hungarian journal, Magyar Hirlap, last week—has been contemptuously rejected in Yugoslavia. "It is inane," said *Milika* Sundic, in a broadcast this week from Zagreb, "to believe that our relations with the European socialist countries in general and with the USSR in particular must be bad because we have good relations with China."

Not its own

Mr. Sundic, a well-known commentator, stated that the views of Magyar Hirlap—which warned Peking it could be "extremely dangerous" if such an axis were created in the Balkans—were "*palpably not its own*." Yugoslavs found it hard to believe there could be such a poor acquaintance in, for instance, Hungary, with their views of axes and pacts.

Commenting on the Magyar Hirlap suggestion that the Chinese Prime Minister was expected to tour the Balkans later this year, Mr. Sundic added: "We really do not know whether or when Chou En-lai will visit our country, but we can say that we would rejoice at such a visit, just as much as we rejoice at any other visit whose aim is the consolidation of peace and international co-operation."

Yugoslavia's relations, he pointed out, were good with China, and it was to be hoped they would become even better.

Then, pointing an accusing finger at Moscow without actually naming it, he went on: "The most diverse and crude excuses are being sought to keep Yugoslavia under observation, to impose on it something it does not want, and if this cannot be achieved in any other way then—and this definitely emerges from what the Hungarian journal said—measures envisaged by the doctrine of limited responsibility for Socialist countries could be invoked."

He concluded that not only the printed expressions of concern by the Socialist countries worried Yugoslavia, but also "the demonstrations of strength" along its borders. (This was a reference to the recent Warsaw Pact *exercises held in Hungary*, near the Yugoslav frontier, and those to be held in the next week or so in Bulgaria.)

Meanwhile, another Hungarian journal, Magyarorszag, has this week printed a lengthy analysis of Chinese policies—using extensive quotations from an interview with an unnamed Soviet expert. This expert's view is said to be that China is interested in helping President Nixon indirectly to keep his office in next year's elections.

"A Democratic Party President would be unfavourable to Peking," the writer reported, "since very likely it would result in better Soviet-American contacts."

50 Spanish companies 'forced to close'

By Our Own Correspondent

MADRID, August 17.

[P]ICE rises, higher production [cos]ts and liquidity problems are [for]cing a number of Spanish [com]panies out of business. [Pri]vate businessmen say that the ["re]activation" measures taken [by] the Government earlier this [yea]r have proved too timid and [tha]t the promised anti-inflation[ary] measures were never put [int]o effect.

[The] Barcelona Chamber of Com[mer]ce spokesman said that [alm]ost 50 large and small local [com]panies went into the hands [of] receivers during the first half [of] this year. The list of ailing [ent]erprises includes such long-[est]ablished firms as the El [Ag]uila department stores and [the] Hilaturas Egara, SA, textile [ma]nufacturing firm.

[R]ecently several domestic [app]liances manufacturing com[pan]ies have also gone into [rec]eivership, including Manufac[tur]as Alpe and Manufacturas [His]pano-Suizas de Refrigeracion ("ODAG") operating with [Swi]ss capital participation and [wit]h more than 1,500 workers on [the] payroll. The total sum of [liab]ilities involved by the firms [tha]t suspended payment in the [Bar]celona area amounts to [Pts.]2,800m. (about £16.8m.).

[T]he situation also looks bleak [in] Madrid. The number of pro[test]ed commercial bills has in[cre]ased by 6.7 per cent. on the [sam]e period last year to a total [of] 239,298 unpaid bills in the [firs]t half of this year.

Madrid expects no payments problems

[B]y Our Own Correspondent

MADRID, August 17.

[SPA]IN exported a total of [...]m. worth of products in July [this] year, an increase of 40 per [cen]t. on the same month last [year]. But imports in July, [acco]rding to a statement made [by t]he Spanish Minister of Com[mer]ce, Sr. Fontana Codina, in[crea]sed by 7 per cent. to a total [of ...]435m.

[A]nd another Ministry of Com[mer]ce spokesman stated that im[port]s will increase substantially [in t]he next few months because [of] the abolition of the import [dep]osit system. In the first half [of] July alone, he said, applica[tion]s for imports (to be carried [out] later this year) have in[cre]ased by 70 per cent. to [...].3m. on the corresponding [half] of July last year.

[The] expected increase of [exp]orts will not be enough to [clos]e the foreign trade gap, but, [acco]rding to the Ministerial [spo]kesman, Spain will have no [maj]or payment problems because [the] latest Bank of Spain report [indi]cates that in the first half [of] this year Spain's gold and [fore]ign reserves increased by [...]3.2m. to a record figure of [...]55.2m.

Iceland Minister to hold talks in Bonn

BY CHRISTOPHER LORENZ FRANKFURT, August 17.

THE ICELANDIC Foreign Minister, Mr. Einar Augustsson, is due to have talks with the West German Government later this week about Reykjavik's plan to extend her fishing limits from 12 to 50 miles by September 1972.

The Icelandic plan, announced last month, has caused considerable concern in the foreign and agricultural ministries in Bonn, although the Germans have adopted a lower public posture than Whitehall. A spokesman for the *Agricultural Ministry* said to-day that about three-quarters of West Germany's fresh fish is caught in the area that would be covered if Iceland put its proposal into effect.

According to Icelandic sources here, *Mr. Augustsson will be* coming to Bonn from London where he is also due to have talks with members of the Government. On Friday he will meet Herr Scheel, the Foreign Minister, and he will also have talks with *the* Agricultural *Ministry*. He leaves for home on Saturday.

It is not yet clear what room, if any, there is for compromise. Bonn has apparently made it quite clear that the Icelandic proposal breaches the agreement it has with Reykjavik and that the plan is unacceptable.

FOUR POWERS STILL MEETING

WEST BERLIN, August 17.

AMBASSADORS of the big four powers met here to-day for their fifth sitting in eight days, in the most intensive session yet of the 17-month-old Berlin talks.

The ambassadors of the U.S., Britain, France and the Soviet Union sat down together once again in the former allied control council building here, under the chairmanship of British Ambassador Sir Roger Jackling. Reuter

Trevi coins free for all

BY OUR OWN CORRESPONDENT ROME, August 17.

COINS thrown by tourists into Rome's Trevi Fountain have been declared public property by a Rome judge and "fair game" for anyone who wishes to collect them.

For some months a battle has been waging between the city's street urchins and the ten men who clean the fountain every week. The urchins, who generally have the sympathy of the thousands of tourists that flock to the Trevi Fountain each day to throw in coins that are said to ensure their return to Rome, wait for the coins to be launched *into* the famous waters and then plunge in half-naked to retrieve them.

To put a stop to their capers, the fountain cleaners, who are said to clean up each week about £100 between them, carefully placed three-pronged nails into the water to stop the boys wading in to collect their treasure trove.

Other Overseas News

Amin makes corruption charges

By Our Own Correspondent

KAMPALA, August 17.

PRESIDENT Amin to-day revealed that he would soon take action against some of his Ministers whom he regarded as inefficient and corrupt. He complained that when he had previously spoken alleging corruption among his Ministers this had been "covered up" in the Press.

But he believed in the truth and would be quite happy for anyone to point out the fact if he made mistakes. Ministers were not indispensable. He illustrated his point by indicating three men in civilian clothes who he said were the most important members of the Defence Council, although they were paid only 255s a month.

He declined to say who the men were but they were assumed to be army privates. General Amin said soldiers now in detention would be court martialled later this month but resisted suggestions that their trials should be public.

He also mentioned Finance Minister Mr. Wakhwaya and said the Minister had not informed him of deficits totalling about £40m. left by the ousted Obote *regime*. He had only learned about these when another Minister temporarily took over the finance portfolio.

IRAN, PEKING TO EXCHANGE AMBASSADORS

By Our Own Correspondent

TEHRAN, August 17.

IRAN to-day agreed to set up diplomatic relations at ambassadorial level with China. At the same time it dropped its two-China policy. Within hours of making the announcement, Taiwan had notified Tehran of its decision to break off 30 years of diplomatic ties and ordered its *ambassador*, Shin Ying-*Woo*, home. He left last night.

Ambassadors are expected to be exchanged at the "shortest possible time" possibly before the 25th centenary celebrations in October to allow Chinese *Premier Chou-En-lai* to go to them.

Australian budget calls halt to expansion

BY MICHAEL SOUTHERN, AUSTRALIA EDITOR SYDNEY, August 17.

THE FEDERAL Treasurer, Mr. Snedden, to-night introduced severe anti-inflationary measures in his 1971-72 budget. The measures generally make up the first non-expansionary budget for at least ten years, with increases in personal tax, *excise* on tobacco, petrol, postal and telegraphic charges.

Mr. Snedden also announced substantial aid to the rural sector, particularly wool, and increased defence and foreign aid expenditure. In all, Mr. Snedden is aiming for a domestic surplus for the year of $A630m.—a rise of $A170m. on last year's estimate. This will have the effect, particularly in the winter quarter, of severely restraining spending in the private sector through a tight liquidity situation.

It is clear from the budget that the Government sees cost-pull inflation as the major damaging factor in the Australian economy and Mr. Snedden referred to this several times in his speech. Although a much more decisive budget than that of Mr. Bury last year, Mr. Snedden's package is very much a rich man's budget in that the bulk of the tax increases will be borne by the working class.

The few concessions allowed, on matters like school fees, deductions and the age of student dependants being raised from 21 to 25 years will prove of greater benefit to the higher income bracket earners with children in private schools.

The measures proposed are:

An increase in personal taxation by raising the 2½ per cent. levy on personal taxable income to 5 per cent. This means that when a *taxpayer fixes* tax due on net taxable income, he will have to add 5 per cent. instead of the 2½ per cent. previously charged. This will yield $A68m. in the current year and $A81m. in a full year. The new scale will start from October 1 next.

Umbrella

An increase of 5 per cent. on the first $A10,000 of taxable income from a public company, which means that all public companies will pay a flat rate of 47½ per cent. on all income, instead of 42½ per cent. on the first $A10,000. This is seen more as a measure to eliminate a taxation dodge than as a direct swing at industry.

Under the present system, companies formed as an umbrella could have several subsidiaries each earning $10,000 a year and thus avoid the higher tax rate. Private company rates will now by 37½ per cent. on the first $A10,000 and 42½ per cent. on the balance. These changes will be for the 1970-71 year, and yield $A24m.

Cigarettes will rise by around two to three cents a packet of 20 as a result of a 50 cents a pound rise in duty and tobacco will rise by about three cents a two-ounce packet following a rise of 25 cents a pound. This measure will bring in an additional $A21m. Petrol exise will rise

Mr. Billy Snedden

by two cents a gallon. In all, these rises will yield $A157m.

Other charges to rise will include radio and television licence fees, by some 25 per cent., and telephone, postal and telegraphic charges. Mr. Snedden also announced that air naviga*tion charges were to be reviewed* in order to have the airlines meet more of the cost of airports and airway facilities.

Mr. Snedden said that the defence vote would be increased by $A.117m., or 10.3 per cent., to $A.1,252.4m. Of this increase, $A.86m. would meet new rates of pay for the services. New equipment would cost some $A.227m. This would include 10 Skyhawk aircraft for the Navy, 13 Nacchi trainer aircraft, 12 helicopters and communications equipment. An amount of $A.6.2m. would be spent on the Cockburn Sound naval base in Western Australia, and on Learmonth Airfield on the north west cape.

Foreign aid would increase by $A.9m. The total figure will be $A.186m., of which $A.130m. will go to Papua New Guinea.

Payments to the States will increase by $A.88m. to $A.2,931m. The States will, however, receive a further $A.259m. from pay roll tax which was transferred from the commonwealth to the States in June this year. In all, this means the States will receive $A3,280m. in the year, an increase of 15 per cent.

Social welfare measures announced include a rise in pensions *of $A1.25 a week for single* people and widows with children, and $A2 a week for married couples. This is the biggest single increase granted to pensioners for ten years or more. Other increases announced were *in* child endowment for the third child only and in war pensions. In all, the expenditure on social services, health, housing and other welfare activities will cost $A2,095m. On education, the budget proposed an expenditure of $A346m.

Assistance to industry will total $A371m. The bulk of this will be directed towards primary industry, and in particular wool. Mr. Snedden announced that the Government would introduce a scheme of deficiency payments for wool growers. This would be a percentage of market realisations and ensure that on average, wool growers would receive a return corresponding to 36 cents a pound, for the whole wool clip apart from *inferior* wools. An amount of $A60m. has been allocated, but Mr. Snedden warned that this estimate was subject to a "*considerable* margin of uncertainty." Additional bounties on butter and cheese would be extended, a five year stabilisation plan for the apple and pear industry introduced and assistance towards reconstruction of the dairy farms.

Upthrust

Mr. Snedden said that the Government had found that Australia was in the grip of inflationary pressures which had not, for almost a decade, been a matter for serious concern. Over the five years from 1965 to 1969, average weekly earnings rose by 6.5 per cent. and consumer prices by 3.2 per cent. a year. At no time did unemployment exceed 1.5 per cent. of the work force. In 1969-70, average weekly earnings rose by 8.9 per cent. and by more than 10 per cent. in 1970-71. The consumer price index rose by 3.2 per cent. in the former year, but by 4.8 per cent. last year. In June, the underlying rate was above 6 per cent.

"There has been and still is a powerful upthrust of costs stemming largely, if not wholly, through large wage claims relentlessly pursued. There has also been and still is an overstrong pressure of demand in some sectors . . . In the very big area of consumer spending there appears to have been a growing rate of increase in recent months. This is a critical area because of the massive additional call on resources there would be if consumer spending did rise more rapidly. This could be made possible by the big increase in personal disposable incomes" Mr. Snedden said the annual growth in retail sales for the March and June quarters was 12 per cent.

McMahon defeats Opposition censure

By Our Own Correspondent

CANBERRA, August 17.

GOVERNMENT members closed ranks behind the Prime Minister, Mr. McMahon, to-day to defeat an Opposition motion attacking him for causing the recent upheaval in the Cabinet and the Liberal Party.

Only an hour *after the House* of Representatives resumed from a three months' winter recess, the Leader of the Opposition, Mr. Gough Whitlam, moved "that in the opinion of this House, the Prime Minister's methods and motives in removing ministers and his subservience to outside influences, have destroyed trust in his Government at home and abroad."

He said the Opposition had deliberately chosen not to press a traditional censure motion so that disaffected Liberals could express their disapproval of Mr. McMahon without bringing down the Government. But none chose to do so and, when the Government gagged the debate after *slightly less* than two hours, Mr. Whitlam's motion was defeated by 62 votes to 56 in division on straight party lines.

Mr. McMahon formally announced the changes in his Cabinet within a few minutes of the House's resumption. Throughout question time which followed he was harried by the Opposition leader and his deputy, Mr. Lance Barnard, to explain his motives in making the changes, and the methods, particularly Press leaks, by which they *became* public knowledge.

The Opposition also pressed a series of questions concerning Mr. McMahon's relationships over many years with Sydney newspaper and television magnate, Sir Frank Packer.

When he moved his motion after this initial probing, Mr. Whitlam said the Prime Minister *had chosen to state his role only* in those matters where he was confident of protection through the ethics of journalists or fellow politicians. He had evaded the other questions. "He will say anything to suit his purpose. This country has been held up to ridicule in the five months he has led it," Mr. Whitlam said.

'Humbug'

The main targets of the Opposition attack were the dismissals of former Foreign Minister, Mr Leslie Bury, and Defence Minister, Mr. John Gorton. Both *actions were entirely for personal* and not policy reasons, Mr Whitlam claimed.

Mr. McMahon attacked the Opposition leader as "a feline person," using a device which showed that he led a party with nothing to offer and a great deal to be ashamed of. "We must not be diverted from the real business of government by tawdry personal considerations," Mr McMahon said. "The changes that have taken place in the ministry are exclusively the Government's business." He called the Opposition attack "humbug."

Tripartite summit will aim to rebuild Arab eastern front

BY RICHARD JOHNS, MIDDLE EAST CORRESPONDENT

THE EGYPTIAN Government is *attempting to reform* "the Arab eastern front" which was shattered by the civil war in Jordan last September, according to well-informed sources.

This is the main reason for Cairo's attempts to take the best out of the border conflict between Syria and Jordan. It is also expected to be President Sadat's main preoccupation at the tripartite summit meeting with General Hafez Assad, the Syrian President, and Colonel Muammer Khedaffi, the Libyan leader, which opens in Damascus to-morrow.

Its overt purpose is the approval of the constitution of the proposed Federation of Arab Republics composed of Egypt, Syria and Libya. According to the already agreed plan, this document will be submitted to a referendum of the peoples of the three countries on September 1.

Not the least attraction of the Federation to President Sadat has been the prospect that Syrian military facilities, in particular airfields, would be made available to the Egyptian Air Force.

Reports in a Beirut newspaper last month that two squadrons of MiG 17s have been stationed in Syria are understood to be substantially correct. It is believed that General Mohammed Sadeq, Egyptian Minister of War, and Saadin el Shazli, Chief of Staff, discussed the further deployment of units in Syria when they visited Damascus last week.

General Shazli's arrival coincided with that of the Soviet General Karpov, described as "Deputy Commander for the Caucasus Military Area," and they both attended a banquet given by Major-General Mustafa Tlas, the Syrian Chief of Staff. But there was no necessary connection because *General* Karpov's trip had been planned some time in advance.

Meanwhile, Saudi-Egyptian efforts to mediate between King Hussein of Jordan and the Palestinian commando movement are continuing. Yesterday, Mr. Hassan Sabri el Kholi, President Sadat's *special* representative, flew from Jeddah to brief Sadat on his meeting with King Feisal of Saudi Arabia.

Together with Mr. Omar Sakkaf, Saudi Minister of State for Foreign Affairs, Mr. Kholi has been pressing a six-point peace plan. This has been accepted by the guerillas subject to certain conditions including the release of commandos *still* held by the Jordanian Government and the return of confiscated weapons.

It was confirmed yesterday by Voice of Fatah radio that Abu Iyad, the commando leader who ranked second to Yasser Arafat in the Al Fatah group, is dead. The radio claimed that he had been shot dead by command of King Hussein after he had been wounded and captured in fighting around Ajloun on July 30.

USSR invites Israelis

BY OUR OWN CORRESPONDENT TEL AVIV, August 17.

THE SOVIET peace committee has extended invitations to six Israelis to visit the Soviet Union in the near future. Those invited include journalists, Parliament members and scholars who are active in the Israeli peace committee and who are known for their moderate political attitude towards the Soviet Union and the Arab States.

The Israeli delegation is expected to leave for Moscow next week and it will stay in the Soviet Union for about a fortnight. This is the first time since the six-day war that Israelis have been officially invited to visit the Soviet Union. The diplomatic relations between Israel and Moscow were broken immediately after the last Middle Eastern war.

In addition some Israeli scholars are getting visas to attend various scientific conferences in the Soviet Union. Political observers in Jerusalem believe that there is a slight de-freezing in the relations between the two countries but no contact has yet been established at the official level and it is premature to assume that Moscow and Jerusalem might resume their diplomatic relations in the near future.

It is believed that the invitation to the Israelis to visit the Soviet Union is also meant as a "warning" to the Arab States in view of their endeavours to better relations with the United States.

OMEGA GOES INTO PAKISTAN

CALCUTTA, August 17.

Eight persons belonging to the Omega relief organisation to-day crossed the border into East Pakistan in a bid to bring relief supplies directly to the inhabitants of the civil war area. UPI

Nigerian Plan makes progress

BY OUR OWN CORRESPONDENT LAGOS, August 17.

A REVIEW of Nigeria's Four-Year Development Plan after its first year showed remarkable progress at both *the federal* and states levels, Nigeria's military ruler General Yakubu Gowon announced. He promised that a progress report on the report would be published next year. The Four-year second national development plan involving more than £N1,000m. was launched in November by General Gowon. The Federal *Government* programme on the plan will cost £N550m. and the 12 states together about £N470m.

The private sector is expected to invest more than £N800m. during the plan period.

General Gowon during its launching described this post-war reconstruction and development plan as marking another decisive step in the nation's path to progress and stability.

The General told executives of Nigerian newspapers here yesterday that there was no immediate *plan* to replace the *civil commissioners* in the Federal executive council although the Government was thinking of a reshuffle.

Nigeria's Central Bank to-day released a further £N30m. in foreign exchange to commercial banks for part-payment of short-term external liabilities of the country which were incurred before *April 1, 1971*. This brings to £N120m. the total released.

The Central Bank also announced that payment of import bills due after 90 days "is going on smoothly" but adding that there were some importers who were still not submitting their documents in time, thus causing payment delays.

Bridget Bloom adds: While British companies will no doubt be pleased that the Government's pledge to repay 1971 import bills promptly on 90 and 180-day basis is being honoured, the longer pipeline created during the war and "*frozen*" up to the of March this year is still causing headaches in the foreign business world.

On the political front, it remains to be seen what General Gowon means by "reshuffling" civilian commissioners (ministers). Almost all these men, at federal or state level, were appointed at the height of the crisis and in some cases have become only too well entrenched. Of greatest interest at the federal level is the vacancy left by the resignation of Chief Awolowo from Finance last month; there are a number of *possible* candidates for this key post which earned with it, under Chief Awolowo, the Vice-Chairmanship of the Federal Executive Council, the "second in command" post to General Gowon.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● COMMUNICATIONS

Route selectors for telephone calls

CLOSE ON 100 director exchanges in the United Kingdom are to be equipped with stored program control equipment under a contract worth £6m., awarded by the Post Office to GEC-AEI Telecommunications.

Director areas are London, Birmingham, Manchester, Liverpool, Glasgow, and Edinburgh, and all these cities represent complex multi-exchange areas.

Most of the units will be used to replace existing electro-mechanical register-translator equipment in busy exchanges and the remainder is to be installed in new exchanges planned for the areas. The first conversion will begin in about a year and a noteworthy improvement in reliability will be the result.

This contract is the first awarded by the PO for this type of on-line control equipment which has a considerable potential for new features and services and provides for automatic supervision of operations.

At the moment, GEC-AEI Telecommunications is the only manufacturer of this kind of control equipment for the Post Office and the contract has been awarded after some three years of full operational experience following a 1½ year service trial of the prototype units installed at the London (Belgravia) exchange. This has already handled well over 50m. calls successfully.

With the correct interface, the GEC units can be used with Strowger, crossbar and motor uniselector switching systems.

Recently the PO announced that it had placed contracts with GEC for four crossbar switching centres using this mode of control. Worth about £13m., the contracts form part of the programme to decentralise London's trunk traffic.

PABX for sightless operators

A CORDLESS PABX telephone switchboard incorporating a dual-display system which can be used by both blind and sighted operators has been developed by GEC-AEI Telecommunications, of Coventry.

The illuminated display panel which indicates the progress of any call going through the switchboard has been supplemented by a bank of tactile indicators. When an indicator is energized, a solenoid-operated plunger is pushed out thus enabling the blind operator to feel the signals normally given on the illuminated screen. An audible warning is also given on a buzzer which can be adjusted to the pitch most suitable for the operator.

Changeover from tactile operation to the visual screen, which is fitted above the console for use by sighted operators, is made by a single keyswitch. In either mode of operation calls are answered by pressing a common answering key.

As the equipment has been developed from the PABX No. 4 console, an existing standard console can be converted on site if necessary.

ATV to use Fernseh converter

A TELEVISION standards converter made by Fernseh Gmbh has been purchased by Associated Television Corporation and will be installed at ATV's Elstree Studios in December this year.

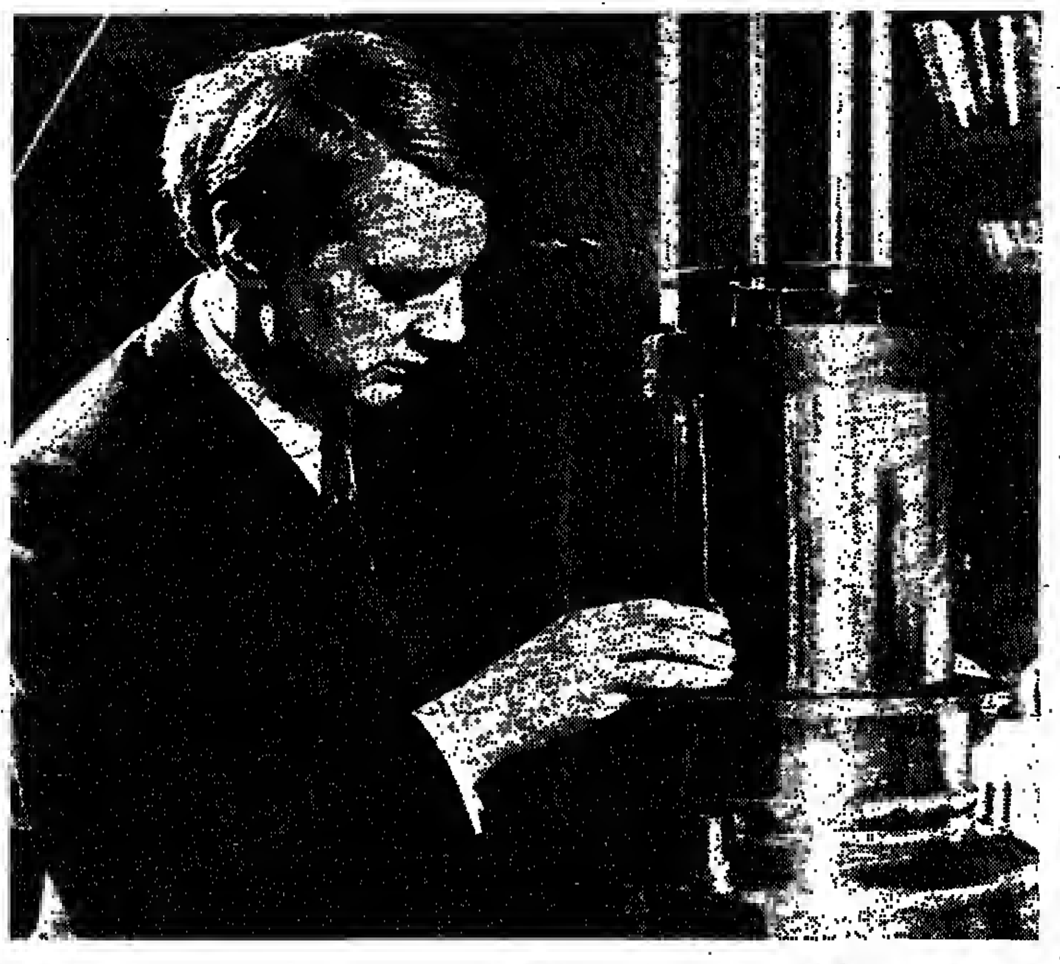
The equipment, which is the subject of a contract worth £85,000, will give ATV much greater flexibility in dealing with programme material. When making programmes with a particular eye on the U.S. market the tendency has been to shoot the material in 525 American standards and convert to 625 U.K. PAL standards for transmission in the U.K.

Bill Ward, Director of Programmes for ATV, stated this week that it will now be possible to take full advantage of the inherently better quality of U.K. standards by shooting in 625 and converting to 525 for U.S. sales.

Standards conversion is carried out in the equipment by means of two interlocked electro-optical converters. Each of them contains a picture tube and a pick-up tube (1¼ inch Plumbicon). One of these converts the luminance signal, the other the chrominance signal. On the one picture tube the compatible monochrome picture is displayed, on the other an amplitude and phase modulated colour carrier oscillation. The latter is obtained by remodulation from the colour carrier oscillation separated from the input signal. The frequency of the oscillation is 1MHz approximately. After conversion, reference pulses of the same frequency, added to the oscillation, make possible demodulation of the chrominance signal in order to derive the R-Y and B-Y signals.

The standards converted colour difference signals and the luminance signal are applied to an encoder, whose colour standard may be selected at will.

Testing of the German converter was carried out by ATV on several of the current Des O'Connor shows which were made on the American standards and converted to the British system by the Fernseh unit for broadcast over the British ITV network.



Fields achieved with this superconducting magnet are of the order of 105 kilogauss, thought to be the highest yet reached with a niobium-titanium superconducting medium. The equipment was built by British Oxygen Company, Morden, for the Physikalisch-Technische Bundesanstalt—the German national physical laboratory, Brunswick. It operates in superfluid helium at 2 degrees Kelvin, which is minus 271.2 degrees Centigrade. The magnetic core is made of numerous windings of the special alloy and in the illustration, it is being lowered into the cryostat which maintains it in the extremely low temperature environment provoking the superconducting effect. A considerable amount of interest is centred in work on such magnets and on motors operating in similar conditions. The CEGB has commissioned a large superconducting motor built for it by IRD of Newcastle which is also building a special naval version of a motor of this type for trial operations by the Ministry of Defence.

● PACKAGING

Low output wrapping machine

FRESH fruit and vegetable packaging by prime producers, and fresh meat and cheese packaging, either by central packing operations or in-store, are typical applications for a low output horizontal pouch wrapping machine, the Flowpak S4P.

The machine has an output of 25 packs/minute, enrobing the product from a single reel. The enrobing motion is unusual as the folding box carrying the film engulfs the product while the latter is stationary, instead of the product being propelled into a stationary box. Packaging materials are low-density polyethylenes and plasticised polyvinylchlorides. The longitudinal seam on the base of the pack is left unsealed: bead seals are used for the ends.

Main feature of the Flowpak S4P, the latest in a range of packing machines by Rose Forgrove, of Seacroft, Leeds, LS14 2AN, is that change parts are only needed for variation in product width. Speed of change-over is assisted by multiple reel mountings and pre-calibrations.

This machine is the first in the range to use a new code of international operating and control symbols, devised with the assistance of specialists from Aston University, Birmingham. The symbols will simplify the work of operators and maintenance staff anywhere in the world, reduces the variety of control panels used, and avoids an inscription in foreign languages.

Pack size limits are: length 100-279 mm; width 50-200 mm; height 12-95 mm; maximum reel width is 457 mm, and cut-off length can vary between 100 and 330 mm.

Norwegian shrink wrap machines

LARGE capacity pallet wrappers and shrink tunnels, and smaller units for tray or individual package wrapping are included in the Dyno range of shrink wrapping machinery manufactured by Norsk Spraengstofindustri in Norway, and now available in the U.K. following an agency agreement with United Packaging Industries, Gomersal, Cleckheaton, Yorks.

The machines are suitable for wrapping (as outers) foodstuffs, containers (tin, plastic, wood, glass, and cardboard) and chemicals and other pallet loads. They are used in the electrical appliance industry for wrapping refrigerators and freezers, for bundling newspapers and periodicals, and by light engineering industries.

Seven models are available suitable for shrink wrapping a range of items from a single reel of cotton to a T-pallet load of bricks. Sleeve, hood or sheet wrapping methods are employed according to product requirements. Thermoplastic film is used and shrinking is by recirculated hot air. The process is so rapid that it can be used for packaging filled ice cream cartons.

The latest method of shrink wrapping pallet loads developed by the company is the Dynosaur heated platform, which is claimed to reduce pallet preparation time by up to 50 per cent., uses a thinner gauge of polyethylene hood, and reduces the possibility of hood damage against the heating tunnel walls.

The Dynosaur uses an open grid platform through which the excess air in the hood is removed. This means that the clearance between the load and the chamber wall can be reduced from 400 to 100 mm, which lowers the cost of the machine and increases its efficiency. The machine takes pallet loads of 70 inches by 60 inches by 80 inches and has a capacity of up to 120 pallets an hour.

● POLLUTION

Sulphur out of coal

HIGH-SULPHUR coal, undesirable for power-station use because it pollutes the atmosphere, can have its sulphur removed in a simple, continuous process.

The method was developed by the U.S. Bureau of Mines, 4800, Forbes Ave., Pittsburgh, Penna., U.S., which offers Progress Report No. 35 on the technique.

It consists of mixing pulverised high-sulphur coal with coal tar and using hydrogen to blow it through a bed of cobalt molybdate catalyst. This produces a thick oil for burning under boilers, coal tar to be re-cycled in the process, and hydrogen sulphide.

The Bureau said coal with 3.4 per cent. sulphur yielded a burning oil with only 0.3 per cent., well below the 1 per cent. limit set for most oil and coal used in U.S. metropolitan power plants.

The hydrogen sulphide can be further treated to remove elemental sulphur, which is saleable, but not very. Sulphur currently is suffering from serious over-production.

Copper kills water algae

ADDED to lake waters to kill algae copper not only leaves the water available for irrigation but also may improve the quality of the grass growing on irrigated soil.

The copper compound is "Cutrine," offered by Applied Biochemists, P.O. Box 91900, Milwaukee, Wis., U.S. It has been used for a year to keep algae from growing in ornamental lakes and ponds.

Recent tests have shown that the copper does not harm grass and therefore the water from the treated reservoirs can be used for watering turf and plants. However, the treated water is not yet approved for use on vegetable crops.

The report of better grass due to use of treated water comes from Mr. Paul Kerr, operator of the Twin Oaks Golf Club at Dublin, Ohio. He says that not only does Cutrine not damage the grass, but treated plots seem even greener than non-irrigated growth. Kerr guesses this may be due to the nutrient value of the traces of copper.

● By agreement between the Financial Times and the BBC information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.

● PROCESSING

Dial-a-valve process control

VALVE control in plant pipelines by dialling is stated to enable one man to operate electrically actuated valves throughout an entire plant from a central control panel, by dialling the identity number of the valve to be operated.

A light indicates that he has made contact with the correct valve, which is then operated by a normal push-button control. The mimic diagram on the control panel gives a continuous metered reading of the degree of valve opening or closing, and facilities for switching to local control are provided.

The maker, Hopkinsons, Britannia Works, Birkby, Huddersfield, claims that the system saves on cabling as only single signal wire is used.

The system can control as many valves as can be connected to the control panel—although in practice valves are not usually assigned more than five-digit numbers. The first installation of this system is at the Burmah oil refinery, Ellesmere Port, where it is used to control the steam valves in the power station.

Sound keeps solders liquid

ULTRASONIC waves in the solder pot make it possible to solder aluminium without the use of a flux or high temperatures.

An aluminium oxide surface which forms on the metal as soon as it is cut prevents the solder from sticking to it. Scraping off the surface oxide does not help because it forms again immediately before solder can be applied. However, Branson Sonic Power Company of Miry Brook Road, Danbury, Conn., U.S., says ultrasonics solves the problem.

A transducer vibrating at 20,000 Herz is inserted in the solder pot to form high frequency waves in the melted solder. The aluminium part is dipped in the solder and the waves scrub away the oxide, letting the solder reach pure metal.

The part is then withdrawn, coated with solder and ready for the ordinary joining processes. Branson says the thickness of the solder coat depends on the rate of withdrawal and the temperature of the pot. The process is carried out at 600 to 900 degrees Fahrenheit, compared to the 900 to 1,200 Fahrenheit needed for flux soldering.

Sewing with glass

GLASS cloth used to produce rolls of flexible electrically-heated mats, incorporates ¼-inch wide metal foil elements sandwiched between layers of cloth. Rows of glass thread stitches at ⅛-inch pitch separate adjacent foils.

A machine has been developed by Hotfoil, Heath Mill Road, Wolverhampton WV5 8AG, to produce 192 rows of stitching on 36-inch wide rolls of glass cloth, with provision for extension to 276 needles sewing 51-inch-wide material.

Used as a heating element the mats are suitable for temperatures up to 450 deg. C, and rolls are supplied to equipment manufacturers making press platens, drying apparatus, process vessels, etc.

Special reinforcing fabrics for use in belting, glass fibre moulding, rubber and plastic sheeting and tyre production, can be produced by sewing various flexible materials, such as plastic strip, into the glass cloth.

Heat in or out

REMOVING heat generated by equipment in confined conditions, or for a localised heat source to operate reliably for long periods in a remote or inaccessible position, can lead to complex design or maintenance problems.

One solution is to pipe the heat to an exchanger. Heat pipes consist of a sealed tube assembly containing a suitable liquid and a wick. Evaporated vapour from the liquid condenses at the cooler end of the tube and is recirculated by capillary action through the wick.

Heat loads from a few watts to several kilowatts can be transferred at temperature levels between −200°C and +2000°C. Equivalent thermal conductivity may be up to 1500 times better than conventional heat sink materials such as copper and silver. Modifications such as the introduction of permanent gases into the heat pipe can enable constant temperature to be maintained over a wide range of heat input.

The National Engineering Laboratory, East Kilbride, Glasgow, is currently developing a wide variety of heat pipes for industry and its facilities for specification design and test are available.

● METALWORKING

Dry cylinder liner turner and borer

AUTOMATIC centralised lubrication and coolant distribution is an essential feature of a specialised turning and boring machine capable of machining up to 53 dry cylinder liners per hour. Requiring only the same floor space as a single spindle machine, it bores and turns three liners simultaneously. The machine was developed by the Midland Machine Tool Co. (Birmingham) for the Ministry of Technology (now Department of Trade and Industry).

Designed as an integral part of the project, components for the lubrication and coolant systems were supplied by Enots, Aston Brook Street, Birmingham, 6.

All gears, bearings and slideways are lubricated automatically and require infrequent attention from the operator. Oil is distributed by two pumps, one feeding a distribution gallery for the gears, the other spindles and slideways. The latter oil sup is metered by piston distribu at the oiling points, contro by an electric timer.

The high production capabi of this machine is achieved relatively slow rotational sp but relatively high tool feed combination claimed to ob maximum life from the carb tipped tools. These operat conditions place heavy loads the tooling as well as on gears, bearings and slideways to ensure efficient cool coolant is delivered to the ac cutting surfaces through drilli in the tool carriers.

Zinc cast in rubber moulds

COMBINING the British veloped zinc-aluminium alloy silicone rubber moulds, quality centrifugal castings be made on a 10-second cycle.

The alloy, ILZRO 12, can used with silicone rubber beca of its low casting temperature 716 to 810 degrees F. Rub blanks are distributed by Ro noff Rubber Company, of W. 27 St., New York City.

Moulds are made by placing terns between two thick blank of rubber, pressing them togeth to impress the pattern in rubber, and vulcanizing. rubber blankets are separated, the patterns taken and the moulds placed in centrifugal casting machi Moulds are good for 100,000 ings and their elastic nat permits the casting of parts w undercuts.

Automatic press

BLANK feeding up to 55 strok a minute on mechanical press enabling an operator to contr two, three or four machines, claimed by the maker of automatic press feeding unit, Unisoc Machine Tools, Copp Side Industrial Estate, Brow hills, Walsall WS8 7HD.

The device can be fitted to standard power press, needs area of 670 mm x 460 mm the side or front of the pr and does not restrict acces bility. The loader handl blanks (raised or flat) to a ma mum size of 380 mm x 200 m As long as the hopper is ke loaded, blanks will automatica be loaded, located and eject without attention.

● PRODUCTS

European style FHP motors

WITH an obvious eye on the growing market for standard electric motor ranges across Europe and the effect of this on its business—whether the U.K. is in or out of the Common Market—English Electric-AEI Machines has introduced a range of industrial FHP machines entirely to metric standards.

Already Continental manufacturers have made a 3 per cent. penetration in the 1 to 50 hp area and now the GEC company intends to match these ranges right down to the smallest sizes.

The new range will cover outputs from 0.17 to 0.75 hp (0.12 to 0.55 kW) and will be in frame sizes D63 and D71. The motors will sell in the £9 to £12 price bracket.

English Electric-AEI Machines says that it will continue to make fractional horsepower motors to U.K./USA standards and that the policy will be to "back both horses" for the time being.

The motors follow the continental design philosophy of extending downwards the industrial range by using cast frames around smaller diameter cores rather than the British practice of wrapping sheet steel shells around somewhat larger diameter cores.

Manufacturing techniques include the use of a pressure die-cast case, laminations produced by progressive die methods and windings produced by coil shooting—a method by which the coils are wound external to the stator and then "shot" on, that is, pulled into place. It is claimed that the motors are lighter in weight than traditional FHP types for a given output.

The company expects a considerable demand for the new motors from pump, fan, machine tool, textile machinery, and material handling equipment manufacturers. To the designers of such equipment, standardisation is expected to offer useful benefits. In particular, design can proceed more rapidly on the basis of a known motor in terms of overall dimensions, mounting details, and mechanical output.

Scalding in showers avoided

OPENING a cold water tap can reduce the pressure in a whole household system. If someone is taking a shower at the same time, this permits more hot water to flow through the shower mixing valve. The danger of scalding can be reduced by using thermostatic valves, but these are expensive.

A cheaper cure is to install a pressure-sensitive mixing valve, which will reduce the flow of hot water if cold water pressure drops. Such a valve, using a flexible diaphragm between the hot and cold inlet pipes, is now offered by Danfoss Inc., of Mahway, N.J., U.S.

The diaphragm carries a pair of mushroom valves working in inverse directions. Reduction of cold inflow moves the diaphragm toward the cold side as hot water pressure is unbalanced. This tends to close the hot water valve and reduce its flow to match the cold water pressure.

Danfoss says reaction of the valve is so fast that water temperature is not changed, since the hot flow is reduced before it can reach the shower head.

Laser can be refilled

ARGON, xenon and krypton lasers made by TRW Instruments and marketed in the U.K. by Avo International, of Dover, Kent, are now being supplied with a gas re-fill system. Avo claims that this quadruples the minimum guaranteed life in many cases and offers a minimum lifetime of 2,000 hours for some of the tubes.

The need for re-charging with gas at the factory is thus avoided and is periodically performed by the user simply by opening a valve to inject a metered quantity of gas.

Variable speed drive

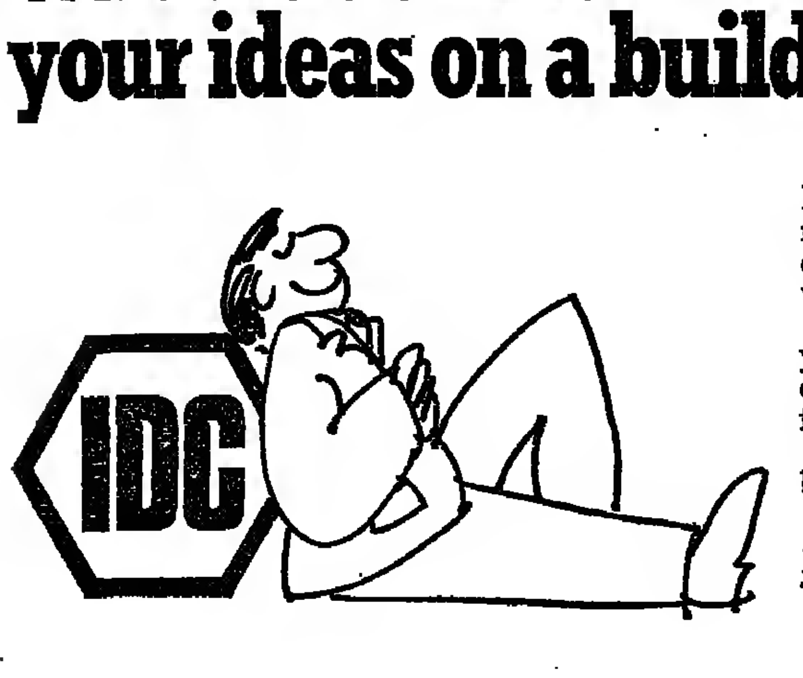
COMPLETELY enclosed variable-speed industrial driving units—the Vari-Sil range—are available from Andantex of Ashton-under-Lyne, Lancashire, in five sizes with powers up to 20 h.p. and output speed ranges of 6:1.

The units are pulley and belt operated and require no greasing. Simplified belt changing, with a belt life of 15,000 hours, gives minimum down time.

Four models are available in each size: input and output shaft model; motorised model with standard flange-mounted electric motors; and either of these models fitted with a geared motor equipped with limit switches allowing remote control.

Input speeds are 970, 1,450 or 2,900 r.p.m. and all models are fitted with a speed-setting indicator.

The casing is a one-piece cast-iron housing, pre-drilled for universal mounting, and is supplied with flat cover plates and louvred ventilating plates. These plates are interchangeable, allowing the units to be mounted in any position.



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Reactions to U.S. economic measures – second day

Japanese industry seeks delay in import changes

BY OUR OWN CORRESPONDENT

TOKYO, August 17.

JAPANESE economic Ministers, meeting in emergency session here to-day, began considering demands from powerful business circles that Japan delay the implementation of planned import liberalisation measures in view of mounting dissatisfaction with President Nixon's 10 per cent. surcharge programme.

Although the Government is determined to activate Prime Minister Sato's eight-point economic programme designed to curtail exports and prevent the steady build-up of foreign reserve holdings, it was apparent that on all other issues, including demands for revaluation of the yen, the Japanese were set upon an extremely hard line in the face of Washington's latest dollar defence measures.

Despite unconfirmed reports that Japan might allow the yen to float—and there is as yet no solid evidence to support these rumours—there was continued pressure on the Cabinet to stick to the present parity of the Japanese currency. But the Finance Ministry only this afternoon admitted the situation "does appear to be getting somewhat out of control."

Japan's gold and foreign exchange reserves shot up to $10,100m. to-day as the Bank of Japan entered the foreign exchange market once again to purchase dollars and stabilise the Tokyo and Osaka markets. On Monday, the Central Bank purchased $590m. as trading houses and banks made frantic efforts to sell off their American dollars. To-day, the Bank absorbed another $721m.

The nation's reserve holdings, therefore, surpassed those held by the U.S. and fell into line behind the $16,000m. of West Germany. It was the first time in Japan's financial history that the country's foreign exchange reserves reached such a high point.

The massive dollar flurry did not foretell a movement of hot money. There is no speculative market in foreign currencies in Japan, mainly due to the fact that the Finance Ministry and the Central Bank maintain very tight controls which prevent such movements. Dollars which were bought up by the bank over the last two days were those held by Japanese business organisations for normal trading activities.

"There was no reason to worry about the situation," Bank of Japan officials said, because the markets had to be supported and it was apparent that "the exchange control system was working extremely well."

Yet adding to the nation's reserves at this time was the recent return to Japan by the International Monetary Fund of $200m., just when the Japanese did not particularly want to receive these funds. The result was a request by the Central Bank on local foreign exchange banks to hold on remaining dollars as much as possible.

It was becoming increasingly evident, however, that the Japanese currently are moving toward the inevitability of a review of trading and currency policies.

During to-day's emergency Cabinet meeting, for example, it was emphasised that the country's business circles are bitter about the U.S. moves and are becoming more steadfast in urging the Government to reject overseas demands for additional import tariff cuts and revaluation of the yen.

There were clear indications among Japanese business leaders that the Government may be placed under intense pressure to support industry-wide moves to abandon the unilateral voluntary controls on steel and textile exports to the American market. The Tokyo argument is that there is no need for two types of restrictions and that if this surcharge is what the American President wants then there is no necessity for any other restrictive system.

Supporting such claims, even if indirectly, was a statement made by Minister Kakuei Tanaka of the Ministry of International Trade and Industry to-day at the Cabinet meeting. He warned that Japan would face a loss of $2,500m. to $3,000m. in exports this fiscal year if the Nixon programme becomes truly effective.

Mr. Tanaka also noted that the long-range impact on Japan's economy should result in delaying the country's recovery from a semi-recession that has continued for more than 18 months. It had been thought likely before President Nixon's announcement that the Japanese domestic market would return to normal by next spring at the very latest.

In the event that the minor recession continues well into 1972, bringing with it continued necessity for Japan to depend on ever-rising exports, the only alternative for the nation's major manufacturers and trading houses would be to make shipments without any hope of profits. Conceivably Japan could do this for only a relatively short period.

Most Japanese exporting experts contend that the large firms in Japan could absorb the 10 per cent. surcharge demanded by the American President throughout much of 1972 but that the small and medium companies might well be forced into bankruptcy. Certainly there is no evidence here that U.S. importers would be willing to take the duty surcharge upon themselves.

All these varied and interlocking problems are bound to be discussed from a number of conflicting viewpoints during the scheduled Washington meeting early in September between Ministerial-level representatives of of Japan and the U.S.

At this time, in spite of indications to the contrary, the Japanese still do not seem to have brought themselves to seriously consider the likelihood that the Americans may be willing to deal such a severe blow to Japan's economy to defend the swiftly deteriorating U.S. dollar.

The Tokyo stock exchange saw a modest recovery in the afternoon session to-day. At the close the stock market had dropped 89.6 to 2,440.8. This followed a drop of 131.10 to 2,399.38 during a hectic morning session as investors clamoured to unload dollars and shares amid fears that the yen would be revalued. Yesterday saw a record drop of 210.50.

The rally in the afternoon session was mainly technical with investors covering oversold positions. The downward trend was again spearheaded by stocks in export orientated industries like electricals and cars.

The Central Bank bought more than $700m. from the exchange banks to-day adding to the $600m. bought yesterday to support the U.S. currency.

Hopes rise for RB-211

By Michael Donne, Aerospace Correspondent

WHILE officials of the Department of Trade and Industry yesterday were seeking clarification of the position of the Rolls-Royce RB-211 engine under President Nixon's decision to impose a 10 per cent. U.S. imports surcharge, the feeling was growing that the engine would be declared exempt.

Several reasons were being put forward for this. One is that the surcharge would almost certainly impose a severe further financial strain on the struggling Lockheed TriStar, and might even kill it, which presumably neither President Nixon nor Treasury Secretary John Connally want to see happen.

The second is that the legal machinery for exempting the RB-211 is available under the proclamation imposing the surcharge. That proclamation makes it clear that Mr. Connally can exempt anything he likes, provided this is consistent with safeguarding the U.S. balance of payments position.

It is being argued in London that by exempting the RB-211 in this way, the Lockheed TriStar—a major aircraft programme involving the possibility of substantial exports in the years ahead—would be safeguarded thereby materially helping the U.S. balance of payments prospects.

If this view is also accepted by the U.S. Administration—and there was growing belief in both London and Washington yesterday that it will be—then the RB-211 seems almost certain to be reprieved.

The point was also being made, however, that if such a reprieve is going to be granted, it ought to be done very soon—certainly within the next few days—since the U.K. Government's own already-extended deadline of August 24 for settling the whole future of the RB-211 is drawing closer.

It is also argued that, even if the U.S. Government did not feel it could use the legal loopholes in the proclamation on the surcharge to exempt the RB-211, it could be given a dispensation on the grounds that U.S. procurement of the engine constituted a special bilateral arrangement between the U.S. and U.K. Governments.

Certainly, in the light of the U.K. Government's heavy expenditure on its continuation, and the inter-governmental discussions in recent months preceding the Senate vote on loan guarantees for Lockheed, the RB-211's position is regarded in this country as being in a special category.

Whether the U.S. Government itself regards it in the same way still remains to be seen. But it is also now clear that the U.K. Government itself does not intend to see all its money and efforts on rescuing the RB-211 thrown away.

Accordingly, if no dispensation or exemption for the engine is announced soon, the U.K. Government will almost certainly insist upon inter-governmental discussions upon the engine's future, at which its views will be put strongly.

Volcker ends his round of talks

BY ADRIAN DICKS

PARIS, August 1[7]

MR. PAUL VOLCKER, the U.S. Treasury Under-Secretary, was due to leave Paris for Washington to-day following a series of meetings designed to explain to European governments the measures announced by Mr. Nixon last Sunday.

This morning he met Dr. Erwin Stopper, president of the Swiss National Bank, and followed this with a meeting with the French Finance Minister, M. Valery Giscard d'Estaing, and the Governor of the Banque de France, M. Olivier Wormser. This afternoon he had nearly 1½ hours' talk with M. Emile van Lennep, Secretary-General of the OECD.

No information was available to-night on the subject of any of these encounters; Mr. Volcker told reporters only that "back in the U.S. the dollar is looking healthy, healthier than it was last week." He added that he did not foresee a large-scale monetary conference being called in the near future.

Group of Ten

Mr. Volcker's last remark, in view of the fact that the International Monetary Fund's annual meeting is due to begin at the end of September, was not disputed in monetary circles here. The impression is growing, however, that a meeting of the deputies of the Group of Ten may be summoned within a few days to prepare, earlier than usual, for the Ministerial session of the Group that normally precedes the IMF annual conference.

Such a meeting of the Group of Ten deputies might be useful to the European countries and Japan once they have managed to decide how to handle their exchange rates against the dollar. It would provide a convenient forum for the Americans' industrialised trading partners to test the hypothesis, accepted by many observers here, that Washington would be willing to revoke the 10 per cent. import surcharge in return for a round of revaluations.

This, however, is to look one stage further beyond the present situation. The immediate preoccupation is seen by international monetary observers here to be the exchange rate problem itself, and Mr. Volcker—who called off his visit to Bonn scheduled earlier—is understood to have made it clear in Paris that the ball is now in the Europeans' court.

The French Government once again refrained from all comment, and is not likely to break this silence until after to-morrow's Cabinet meeting, which will also be able to consider the results of to-day's Brussels meeting of the Common Ma[rket] monetary committee.

The gold and foreign excha[nge] markets remained closed to[-day] but the foreign exchange ma[rket] was due to open to-morrow. [The] Bourse was open and registe[red] a slight decline. Dealings w[ere] reported light and were lim[ited] by the authorities to Fre[nch] shares.

Little enthusiasm

As yet, there is no real [...] in the direction of the Fre[nch] Government's thinking thoug[h it] is certainly keen to see s[ome] kind of "European soluti[on]" perhaps involving London as [well] as the Six. One plan being fr[...] discussed in monetary cir[cles] here, and basically similar to [the] Schiller plan, would require [the] Community countries to de[fine] their currencies in terms o[f a] unit of account linked to [the] present official gold price, agai[nst] which the dollar itself wo[uld] float freely—as seems to be [the] American intention.

The other type of solu[tion] would be the double market, [as] practised in Belgium [and] apparently contemplated by Sw[it]zerland. This, however, is a v[...] out that French officials h[ave] shown little enthusiasm for [in] recent weeks in their efforts [to] control speculative dollar inflo[ws].

W. Germans hope for Six monetary reform plan

BY CHRISTOPHER LORENZ

FRANKFURT, August 17

THE WEST GERMAN Government is hoping that the Six will be able to agree on a joint monetary reform programme as early as Thursday when the Common Market economics and finance Ministers meet in council in Brussels. Bonn wants the Six to reach a common position before a Group of Ten meeting is held.

The Economics and Finance Ministry spent the day working hard on several reform models but spokesmen insisted that no concrete proposals had yet been formulated. This would not happen until the attitude of West Germany's five partners had been made clearer, hopefully, at to-day's session of the EEC monetary committee.

Prof. Schiller

Meet again

According to the Ministry officials, it is by no means certain that the German proposals will have been decided in detail before to-morrow afternoon's Cabinet meeting. The Foreign Minister, Herr Walter Scheel, will take the chair at the meeting as Chancellor Brandt is still on holiday. To-day Prof. Schiller, the Economics and Finance Minister, himself recently back from holiday, flew to the North German island of Sylt to confer with Herr Brandt before returning for the Cabinet meeting.

The Cabinet may meet again on Friday, after Professor Schiller's return from the Council of Ministers' talks in Brussels. If this happens, Chancellor Brandt may well break into his holiday to take part. Although Professor Schiller's Ministry is giving little away about its various proposals a clearer picture of the authorities' intention may emerge to-morrow from the Bundesbank.

Its vice-president, Dr. Otmar Emminger, who flew direct to Brussels for the EEC committee meeting after yesterday's talks in London with Mr. Paul Volcker, the U.S. Under Secretary to the Treasury, is expected to take part in the Bank's council meeting. As things stood to-night the regular post-council Press conference had not been cancelled.

The only concrete news from Bonn to-day was that the Government felt it was sufficiently informed of the American position by yesterday's London talks and that, particularly with Professor Schiller out of town, there was no point in Mr. Volcker coming to Bonn after his Paris talks.

It also became known here that a GATT meeting would be held in Geneva a week to-day to discuss the 10 per cent. U.S. import surcharge.

Volkswagen said to-day that although the effect of the American measures will not be as drastic as first thought it is worried that Congress may not grant in full President Nixon's request for an abolition of the 7 per cent. excise duty on cars, and that it will limit the removal to domestic products.

Assuming the President's request is met in full, however, the German motor company says that the cost to the U.S. consumer of an imported car may be slightly lower than before last week-end; home-produced models will be about 6.5 per cent. cheaper.

Professor Schiller has given an assurance that the Government will do everything to avoid harm to the German econo[my] but his Ministry said no detai[led] plans had been worked out [to] aid German exporters. Prior [to] President Nixon's announcem[ent] the Ministry had been work[ing] on what amounted to limited s[ub]sidies to those German export[ers] particularly hard hit by the flo[at]ing of the D-Mark.

Leading German export companies again came un[der] pressure on the Stock Market [as] the view gained ground that c[on]cerns would be hit by the Ame[ri]can measures not only in th[e] North American trade, [but] throughout the world as fore[ign] competitors, particularly [the] Japanese, were diverted fr[om] the U.S. to other markets.

The Herstatt Industrial In[dex] closed over 1.5 points down [at] 101.56. For the second day r[un]ning motors were particula[rly] hit. Volkswagen fell by DM4 [to] DM140 and in Frankfurt Daiml[er] Benz was down by Dm.10 [to] Dm.363. Banks, chemicals a[nd] electricals also fell.

Activity on the open Frankf[urt] foreign exchange market w[as] greater than yesterday, althou[gh] with the official market st[ill] closed, it was still only 10 p[er] cent. of normal. For a wh[ile] the dollar firmed from l[ast] night's DM3.37 to DM3.40 but [as] dollar interest rates eased, [it] fell back slightly to DM3.38 [by] the end of the day.

Pound firmer

The big banks are not follo[w]ing a common exchange polic[y]. For the second day the Dresdn[er] was allowing travellers to chan[ge] unlimited amounts of dollars a[nd] other foreign currency at i[ts] counters, while the Deutsche a[nd] the Commerzbank were keepin[g] to yesterday's policy of restric[t]ing such transactions to t[he] equivalent of DM500 per perso[n].

None of them was enterin[g] transactions in customers' pas[s]ports, as the Bundesbank h[ad] recommended. There were al[so] slight variations in the rates o[f] exchange, particularly for th[e] pound, which in some instanc[es] was firmer than yesterday.

U.S. car companies agree to hold prices

BY JUREK MARTIN

NEW YORK, August 17.

THE GLIMMERINGS of dissension between the American car industry and the Nixon Administration over the application of the freeze on prices evaporated late last night when both General Motors and Ford agreed to rescind previously announced price increases for the 90-day duration of the freeze.

In addition, all the car companies have said they will pass on fully to the customer the benefits that will come from Congressional repeal of the 7 per cent. car excise tax, which works out at an average of $190 per vehicle. GM said that although buyers would have to continue to pay the tax until Congress acted, it would rebate the amount to customers as soon as the excise tax was removed.

Additional costs

Both the major companies said they would revaluate their pricing policies at the end of the 90 days. GM had announced price increases averaging about 4 per cent. on its new model year cars that are about to go on sale, while Ford, and also Chrysler, had originally intended better than 5 per cent. rises, though there was speculation that they might have to trim their increases to GM's level. The car industry has made no bones of its basic unhappiness at being obliged to hold down prices and thus absorb themselves the cost of improvements in their new cars.

Two of the big companies, Ford and Chrysler, will find themselves facing additional costs stemming from the President's proposals. Ford, of course, imports engines from Europe for use in its Pinto, as well as importing the Capri car from Germany for sale in this country. Chrysler's small car line is entirely dependent on imports—the Cricket (the Hillman Avenger) from Britain and the Colt from Mitsubishi in Japan. All these products will be affected by the import surcharge.

Since, under the terms of last year's labour contract, the car companies will be paying their employees more on November 22—10 days after the freeze is supposed to expire—Detroit is likely to argue the need for price increases in that month very strongly with Washington. The problem is particularly acute for Chrysler and American Motors, both of whom have only just emerged from the red and both of whom enjoy much smaller profit margins than the big two.

Nevertheless the giants of Detroit can hardly conceal their glee about the edge they feel President Nixon's proposals have given them over the imported manufacturers. The importers received one tiny boost to-day when Commerce Secretary Maurice Stans said that it was the Administration's intention that the repeal of the excise tax should apply to both imported and domestic cars, but it seems clear that this will be more than wiped out by the increase in the import surcharge on cars from 3.5 to 10 per cent. and by the effective revaluation of the currencies of some car producing countries against the dollar, particularly the German D-Mark and the Japanese yen (if the latter can be persuaded to accept it).

Market potential

It is, of course, far too early to say whether the competitive disadvantage that the imports now face will in fact cause their sales to drop off. None of them here have said how far they plan to absorb their increased costs and how far they will be passed on to the buyers; the specialty car makers—such as Volvo and, to a certain extent, British Leyland with its Jaguar, MG, Rover and Triumph lines—are clearly less worried than those in the mass produced small car market. It remains entirely possible that over the last few years the VWS, Datsuns and Toyotas have built up such a customer allegiance in this country to enable them to withstand what the President has done.

VW here said that any increase in prices "is bound o reduce our market potential" but no one knows yet if this will be the case.

But if the car industry, whose compliance with the freeze is essential if it is to work, is prepared for three months to sell this year's cars at last year's prices, the other segment of the American economy—organised labour—whose co-operation is vital was less happy about the restraints imposed on it. The picture across the country is very confused.

Mr. George Meany, head of the AFL-CIO, said last night that Mr. Nixon's proposals were "patently discriminatory" against the working man. He complained that the worker would have to bear the brunt of the freeze while corporations would be receiving the benefits of all sorts of tax incentives. Mr. Meany called the AFL-CIO's executive council into special session on Thursday; what comes out of that meeting could well be very important.

But organised labour in this country is by no means as monolithic as might be supposed. Whatever Mr. Meany says, there are numerous trade unions who are quite capable of going their own ways. Certainly there was plenty of union militancy evident in New York city this morning, where several labour contracts between the city and the civic unions are still in the process of negotiation—or, at least, they were until Mayor John Lindsay called them off for the duration of the squeeze.

Higher wages

Several city union heads said that since their prospective contracts would all be made retroactive until well before the President spoke on Sunday night agreements could still be reached and pay increases put into effect. This appears to run directly contrary to the guidelines now being issued by the Office of Emergency Preparedness

Similar situations have been reported from all across the country. On the West Coast, for example, the dockers have been out on strike for over six weeks in pursuit of higher wages (with cumulatively severe impacts on the economies of the Western States) and the imposition of a freeze would appear to make a settlement in this case more unlikely, than ever.

There are rather more than 500,000 union members with national contracts that ought to be signed in the next three months. There are many millions more with contracts already signed containing built-in wage increases due to take effect between now and November 12. Nothing like a national picture has yet emerged on how these differences will be resolved and until it does the success of the freeze on wages remains in doubt.

HONG KONG: Exporters confused

HONGKONG, August 17.

THE CLOSURE of foreign exchanges in Europe has already started to cause headaches in Hongkong. Exporters no longer have any idea what rate they will get for their products in the U.S., which accounts for over 40 per cent. of Hongkong overseas sales. Manufacturers are seriously considering suspending shipments until the situation becomes clearer. Worst hit are local banks which cannot quote U.S. dollar rates for their customers with the lack of any information from London, on which they normally rely on to fix the parity of the Hongkong dollar in terms of U.S. currency.

A number of businessmen who have been persuaded by American bank branches in the colony to keep their export proceeds in the U.S. now find themselves without any indication as to when they could get their hands on these balances.

The ten percent. import surcharge imposed by President Nixon will leave Hongkong's major industry untouched as cotton textiles are under quota and thus exempt from the new duty. Official opinion here takes some consolation from the fact that the surcharge is non-discriminatory and the colony's products have hitherto proved capable of meeting competition in the world markets. But Hongkong's profitability will undoubtedly be adversely affected. One silver lining for the colony is the sudden spurt in U.S. stock market prices.

Not guilty, says Canada

TORONTO, August 17.

THE SHORT-TERM impact on Canada of President Nixon's package of economic measures will clearly call for a policy of response in the view of Government and business economists. While some analysts expect a fall in Canadian exports to push the value of the Canadian dollar down, others believe U.S. restraints on interest and dividend income will cause a flow of short-term funds to Canada, which could raise the Canadian dollar to parity with the U.S. dollar or even higher.

The brunt of the U.S. programme will fall on Canada's secondary manufacturing industries, which already are being pinched in export markets by the appreciation of the Canadian dollar during the past 14 months. It may be necessary for the Bank of Canada to follow an interest rate policy aimed primarily at influencing capital flows and it may be necessary for the Canadian Government to stimulate the economy sufficiently to offset the expected softening in demand for Canadian products in the export market unless a revival of the U.S. economy expands demand for Canadian exports.

It is difficult to assess just how much of Canada's exports will be affected. The most optimistic guess is that the main adverse effect will be felt by manufactured exports, which have a high labour content. These were valued at about $C1,000m. in 1970. A more pessimistic estimate by the Canadian Manufacturers Association is that the import surcharge will damage the position of exports valued at $3,000m. Although the strong Canadian trade position with the United States indicates that Canada is in a position to absorb the prospective trade loss, a team of senior Federal Cabinet Ministers will go to Washington this week to argue that the 10 per cent. surcharge on imports should not apply to Canada. Acting Prime Minister Mitchell Sharp concedes that the Canadian delegation will have a big argument on its hands in trying to convince the Americans that Canada should be exempt. Mr. Sharp says Canada is fully prepared to co-operation with the United States in working for a better international monetary system but he argues that the grounds used by President Nixon to justify the surcharge are unfair if applied to Canada. Mr. Nixon says the move is necessary to compensate for discriminatory tariff and non-tariff barriers in some countries against American goods and for discrepancies in exchange values between the United States and other countries.

"We are not guilty on either count," Mr. Sharp insists. The Canadian dollar, floating since May 1970 is not artificially valued in relation to the U.S. dollar and Canada does not discriminate in any way against American goods. Mr. Nixon's initiatives were so big and so unexpected that even high U.S. government officials cannot answer whether specific Canadian exports will be subject to the surcharge. This vagueness may be important since could lead to serious bilateral trade talks that the Canadian government has so far eschewed.

These talks could encompass the Canadian U.S. free trade agreement on motor cars and parts and a continental energy arrangement. The import surcharge will not affect shipments of motor cars, oil or natural gas from Canada to the United States

Swiss drop limits

BY OUR OWN CORRESPONDENT

ZURICH, August 17.

THE SWISS foreign-exchange market reopened unexpectedly this morning, but without participation by the National Bank. Dollar dealings started at Sfr.4.04-4.06, a rate which slipped to 4.00-4.02 when the market closed after a quiet day.

Forward dealings have been resumed at discounts of from 5.5 centimes per one month to 8 centimes per 11 months. The gold market resumed business in Zurich at 2 pm, the initial price of $43.50/44 per ounce, dropping to $42.00/42.50, compared with a rate of $42.95/43.15 before Monday morning. The stock exchanges are to resume dealings in foreign stock to-morrow.

The banks and Bureaux de Change have dropped their upward limit of $30 per foreign tourist per day and are meeting all demands, though at relatively low rates. The Swiss National Bank has not reopened yet, however, and is accepting only amounts equal to Sfr.100 per foreign tourist per day at a provisional rate of Sfr.4.06 per dollar.

A spokesman stated in Zurich this afternoon that the National Bank would remain out of the market to-morrow. It is not yet clear when it will reopen, but some observers believe it could be before the end of the week.

The spokesman said Bank President Edwin Stopper's talks with Mr. Volcker in Paris were of "an informative nature"

The National Bank has now published its report for the week ended August 13. This shows an increase of no less than Sfr8,369m. in foreign-exchange reserves, the resultant volume on hand of Sfr12,058.4m. actually exceeding the unchanged gold reserves of Sfr11,879.3m. and nearly equalling current banknote circulation of Sfr12,347.5m. It is to be expected that in due course some of this enormous sum will be reduced through swap agreements with the Federal Reserve Board, which last week increased the swap volume from $600m. to $1,000m.

In the meantime, the specially-appointed Government study group continues to watch the situation and advise the Government on any necessary steps. The Cabinet stresses that it would take no further action without prior consultation with other West European countries, and the National Bank for its part seems to want to wait and see the reactions of Common Market countries' central banks.

ITALY: Attack by Socialists

ROME, Aug. 17.

THE Governor of the Bank of Italy, Dr. Guido Carli, was attacked by the Socialist Party, which is a member of the Government coalition, to-day for allegedly having allowed Italy's reserves to contain an excessively high percentage of dollars. A member of the socialist executive aimed harsh criticisms at Italy's whole monetary policy in the official socialist organ "Avanti" to-day.

With the currency market and the bourses closed, the former following an order issued yesterday by the Bank of Italy and the latter because of their summer holiday period, there was something of a lull on the currency front to-day. However, in many cases the 4m. tourists who are spending their holidays in Italy are suffering considerable hardship.

The Bank of Italy has authorised the banks to convert into lire not more than $50 per day (and their equivalent in all other currencies) for bona fide tourists. The operation has to be stamped into their passports. People who have endeavoured to convert larger sums in dollars into lire have been at the mercy of unofficial money changers. The dollar exchange rate applied has varied from 11 to 20 per cent. less than last week's rates.

To-morrow Signor Emilio Colombo's Government is to hold a meeting to endeavour to define the attitude Italy will adopt at Thursday's meeting of the Common Market Council of Ministers in Brussels.

Australian stock exchanges slump

BY MICHAEL SOUTHERN, AUSTRALIA EDITOR

SYDNEY, August 17.

AUSTRALIAN stock exchanges slumped to-day in one of the biggest selling days for many years. The Sydney all ordinaries index dropped 10.5 points to 466.54, while in Melbourne, the metals index, read at 11 a.m., showed a drop of 24 points. Further drops during the day indicate that a more substantial decrease will be reported to-morrow. The Sydney metals index dropped 134 points to 2,970.

The Australian Reserve Bank to-day ordered all trading banks to stop dealing in U.S. dollars. This ban is expected to last at least two days so that Australia can see what the rest of the world does. Tourists wanting to change reasonable amounts of travellers cheques are being accommodated.

While the Nixon package had its effect, the stock markets here are equally concerned with the Queensland mines announcements and the qualification of the BHP report by its auditors who suggested that the company's profits ought to be cut by $A12m.

Uncertainty over the budget proposals, introduced after trading had closed, also contributed to the depressing situation. The lack of any further significant information from Queensland mines, and the doubts on the credibility of the market as a whole that its downgrading of reserves created, has undoubtedly shaken the buyers.

The significant move in trading, however, was the swing away from companies with major minerals contracts with the Japanese, and the wool broking houses. Coal companies were also down, all reflecting the direct effect that the U.S. package will have on Australia as Japanese exports to the U.S. decline. Utah, a company with major coal contracts with Japan, dropped 45 cents to $A3.50. CRA fell almost to its lowest point of last year with a 30 cent

Broken Hill Proprietary dropped 50 cents to end the day at $A12.80. There was little interest in industrials.

It is now quite clear that there is little confidence left in the mining market and, following to-night's deflationary package in the budget, the lack of interest in industrials should continue even further.

Warning of 'extra cost' of joining EEC

OPPONENTS of Britain's Common Market entry yesterday claimed America's dollar crisis made it even more essential for Britain not to join the Six.

Mr. Douglas Jay, chairman of the Common Market Safeguards Campaign, said Mr. Nixon's surcharge on imports would be a "damaging blow" to the balance of payments.

He added: "It makes it even more injurious to take on the additional cost of joining the EEC."

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How not to waste money on management courses

BY CHARLES J. MARGERISON

"I TAKE as a major criterion of my success as a manager, the number of my subordinates who are promoted to the next level." This was the view taken by one manager in a large company. How effectively are we developing tomorrow's managers?

At the moment, few companies have an effective management development programme. Line managers too often wash their hands of the problem, and delegate it to the company management development executive. "My job is to keep this plant running and make sure we produce the product on time" is a typical reaction. Day to day pressures tend to relegate developmental work to a low place on the list of priorities. Privately, many managers express concern at this, and ask what else can they do in the circumstances. The result is that the management development manager is landed with the problem.

In such a situation, there is a tendency to send the up and coming young manager on a course, and thereby delegate the problem again. The result is that management development is being done further and further away from the problems and the organisation where the man in question must manage.

The most important person in a manager's development ought to be his boss. It is he who can provide the opportunities for new learning and influence subordinates. A major characteristic of to-day's effective and successful managers is that they have worked with, and presumably learnt from, a boss who, while being successful, provided opportunities for his subordinates to develop their managerial experience. The job of the senior manager is to provide high work expectations of his subordinates and the resources and opportunity to meet the *expectations*.

Encourage people

A major function of management education ought to be to aid senior managers develop these *skills* to create the conditions for on the job management development. This requires the manager to spend more of his time in helping others do both *their own and some of his work*, rather than trying to do the whole job himself. It means concentrating more on the people in his command rather than the task.

In this, the senior manager must build a *developmental* managerial style, in which he encourages people below to develop ideas, take over new work, have a say in the operation, and see their boss as a person prepared to help.

This contrasts with two other managerial styles, both of which tend to inhibit management development. The *depressive* managerial style is that where the senior manager is always looking over the subordinates shoulder, doing key parts of his work, interfering from time to time, indiscriminately, and generally exercising close downward control.

The *detached* manager also has a negative effect on manager development. His policy is to keep subordinates at arms reach, either by telephone, memo, or a busy diary, and a secretary who acts as an efficient sentry. This defensive style prevents subordinates getting too close, and thereby inhibits the learning they could acquire.

The importance of these managerial styles is that they effectively determine the value their *subordinates can make of* outside management courses. Under the developmental manager, the subordinates will be encouraged to incorporate his new learning into *his job*, and pass on to others the knowledge and skill gained.

The benefit gained by a subordinate from a management development course is not so easily transferred to a work environment, where the boss exhibits either the depressive or detached style. *Under the* depressive manager, the subordinates will be eyed with suspicion, having come back with ideas which could be seen as trying to change the existing system which the superior controls closely. In this context, new learning is seen as a threat by the superior.

In the detached managerial environment, new learning dies for the want of attention from above. The superior is seen to be *apathetic and uninterested in* the subordinate's outside learning experience and there is a tendency for the subordinate to continue as before.

Formal management development in terms of "outside" courses must be related to management development on the job. Off-the-job courses have a vital role in introducing managers to new ideas, knowledge, skills, and behaviour. However, the expense and effort will be wasted unless the conditions back at work are conducive for implementing new learning.

Effective management development involves primarily designing an organisation within which people *can* have the opportunity to grow. This will include providing promotional and reward opportunities while introducing managers to a range of testing, *challenging* business experiences under the guidance and encouragement of skilled men. Formal management training in universities and college classrooms will always be necessary. But managers themselves must develop educational skills.

Charles Morgenson is Co-ordinator of Organisational Development Programmes and Lecturer in Organisational Sociology, University of Bradford Management Centre.

16-year-old Michael Miller with "Lazy Boy" at Fred Armstrong's Newmarket stables.

TRAINING STABLE LADS

"If they live too well they get too big"

BY ELSBETH GANGUIN

LAST MONTH, the Horserace Betting Levy Board announced its improved prize money scheme for 1972. Under the heading of additional deductions appeared an item of £9,000 (the estimated ¼ per cent. of all wins, Flat and National Hunt) for apprentice training.

Apprentices number between 500 and 1,000. About 400 of them have "licences to ride," and of these, 100 or so may one day win a race. The idea, and hope, is to become a jockey, and, perhaps, eventually a trainer.

Most are school leavers. And what really counts is their weight, when they come in, and for ever after. In a well-fed society this presents problems. "That's why in North America the jockeys are Mexicans . . ." And the British lad who wants to make the grade "must say no to chocolates, to chips, go to bed early." There are other necessary disciplines, like, "calling the starter Sir."

Mr. Ian Balding, trainer of some of the Queen's horses, takes on about three apprentices a year, so as to have up to 15 apprentices around at any one time. Normal apprenticeships last for five years. Some boys sign on for a second round, which can be done, though at 23 years of age they must have finished. They get board and lodgings and, to start with £1 50 a week. This goes up by perhaps £1 or £1.50 a year, until in the last year of their apprenticeships, Mr. Baldings apprentices get around £10 a week.

Most of them stay the course, says Mr. Balding. "We give them incentives . . . savings of £100 if they finish their time." They learn the job "intimately," on the job, as it were. They are taught "basic care of the horse," do stable lad's work, learn to ride on ponies, and progress on to "old hacks." They can ride for a week without a *licence, I* understand, but after about two years the lucky ones may get an apprentice jockey's licence. None are just "manure boys," I was told, but sporting and social activities are arranged for them, *though, again,* "*if they live too* well, they get too big."

How many get to the top? "One in five years," was one answer I got. For those who make it, the rewards can be considerable. (The champion jockey, Lester Piggott, earns an estimated £50,000 a year). Even as apprentices they can be "champions"—*Mr. Balding* had a champion apprentice in his *stable* last year. The rest become stable lads, head lads, travelling lads, or they get out altogether.

So it is training on the job and trying *to keep short and* thin. What the Horserace Betting Levy Board's £9,000 (at present it is still less, at £7,000) is to do is to provide "supplementary" training. "*Of* course, we would like to have proper training schools, as they have abroad. We will do more eventually . . . are keen on it . . . are doing *all* we can to *improve* labour relations . . ." For the moment, however, the money goes to the four main flat racing areas: Newmarket, Epsom, Berkshire and Yorkshire, where trainers ("they are keen to run the schemes, and don't get extra pay for it") provide the apprentices with lectures during the winter, on "educational things, like veterinary subjects." *Banking* is another subject, I understand, just in case those winnings do come along. And there are films, too.

The money also goes to pro*vide three residential* riding courses for new boys a year at Epsom, lasting six weeks (cut down from eight weeks, I believe, although there is now a proposal to run six courses a year instead of only three.) At the same time, the lads learn something about "the anatomy of the horse and stable management," I was told. Their trainers pay £5 per year per lad towards this course. But, as the man from the Levy Board admitted, it is all still in its infancy, and incredibly so.

The state of retailing

BY KELSEY VAN MUSSCHENBROEK

RETAILING is a business which in the U.K. involves some 500,000 outlets, turns over nearly £14,000m. and employs well over 2m. people. It is also a fast moving business which has spawned not only more than its fair share of first generation millionaires, but also a substantial library of books on the subject. By and large, however, the literature of retailing has avoided presenting *readers* with too many detailed facts and figures, *concentrating* rather on broad trends, concepts and sales patterns.

To that extent, this first contribution on retailing from Gower Economic Publications is not literature, but a compact report on the *state of the industry* at present, and its expected development in the immediate future. Nevertheless, it is a measure of the scale of British retailing that it has taken GEP no less than 375 tightly written pages, plus 267 *tables* to cover the subject.

The book consists of three main parts. First, retailing is analysed against the background of the economy as a whole, and with reference to the basic *changes* currently taking in trading structures.

The second part is an original study of retailing in the ten key planning regions, which *also* focuses in some detail on a selected 35 cities. These case studies are summarised in a comparative analysis of trading patterns between regions and cities.

For example, GEP finds that in the period 1966-72 food sales are likely to grow fastest in East Anglia (by 44.7 per cent. at current prices) and slowest in Scotland (33.9 per cent.). East Anglia is also expected to top the regional league in non-food sales, with Yorkshire and Humberside coming bottom. Cambridge, Reading and Oxford are expected to show the fastest growth in food sales (50 per cent.) over this period, while Reading also takes the honours in the non-foods sector. Each of the individual city reports includes a plan of existing central shopping facilities, with multiple traders and *department stores* identified by name.

The third section is a review of the leading companies involved in retailing to-day. A short profile of over 100 companies is followed by a more detailed analysis of 12 selected major retailers from Boots to Woolworth. The final result is an indispensible reference work for retailers, planners and financial analysts alike.

Retail Trade Developments in Great Britain, 1971-72, Gower Economic Publications, £16.50.

Problems of a lawsuit in France

BY OUR LEGAL STAFF

I supplied some stone for external facing work in France and the buyer is trying to claim from me on the grounds that it has changed colour in a way he does not like on exposure to the atmosphere. Do you think he could succeed in such an action? Might I have to attend a court in France?

We would think that any chances of success of any such *action against you are minimal.* You do not tell us sufficient about the contract for us to be able to advise you as to its proper law; but if the proper law was French, it may well be that the French Courts would accept jurisdiction, and in that case we think that if the customer did obtain a judgment against you he could enforce it, through registration, in this country. So you will probably have to fight the case, if he brings one, in France, and we consider that you will quite certainly have to attend in France if the action is brought—it would be vital, we should have considered, to your case.

Unpaid ground rent

I failed to receive a ground rent due to me and on inquiring was told that the building was no longer standing and the ground covered by new roads and new industry. How does this leave me?

The suggested alteration in the nature of the property cannot possibly have had any effect upon the payment of the ground rent. It might make it very difficult for you to recover the ground rent by any of the usual methods (distress, or the receipt of rents or the demising of the property); but it can have no effect upon the legal liability to pay.

Buying a company

I am contemplating buying a private limited company from a friend. Basically what are the practical steps involved in transferring the company to my own name (and my wife)? In addition, assuming the company is non-trading and remains non-trading, what would be the annual returns required?

The practical step required to transfer the company into your ownership is the completion of a share transfer form or forms for the entire share capital of the company from the existing owner either to you or to your wife. *The vendor should deliver* the completed transfer form or forms together with the share certificates comprising the holding representing the entire share capital *of the company.*

The returns required by a dormant company are as follows—

1—To the Registrar of Companies a *Form 6A* (obtainable free of charge from the Registrar of Companies), which is subject to a filing fee of £3. This return should be made out as on the 14th day after the Annual General Meeting for the year.

2—To the Revenue a corporation tax return and a form P.11.D for each director.

3—*Department* of Trade and Industry statistics forms as required from time to time.

If you deal with the transaction yourself in the manner outlined above you will have to take the company as you find it, however if you wish to have adequate protection you should obtain professional advice from a lawyer on the indemnity which you should seek from the vendor and the advice of an accountant regarding the financial position of the company and the overall tax implications of the transaction.

Deductible tax rate

I hold some Preference shares in a private company on which the directors declared on April 21 a dividend of 7 per cent. for the year ended March 31, paid on April 22 with tax deducted at 41.5p. On my querying the amounts of tax deducted I was told that Preference shares were fixed interest stocks and that the directors merely notified the dividend due on April 1, when the old rate of tax applied. Is *this correct?*

You are the holder of Preference shares *of a private company* in which the dividend representing 7 per cent. for the half year ended March 31, 1971, was intended to be paid on April 1. However as the company failed to declare the dividend until *April 22, the tax rate to apply is* the rate applicable on the day of payment.

It would seem that the directors met to declare and authorise for payment a dividend on April 22, 1971. In these circumstances the rate to deduct is 38.75 per cent.

Returned resident's tax

I returned to the U.K. from Pakistan where I worked for several years on May 6 last. During my stay there I left the balance of my salary, beyond living expenses, in the U.K., part of it to meet commitments. I brought back with me the small balance I had in Pakistan. Could you let me know my U.K. tax position?

If you are non-resident for any tax year you are safe in leaving salary in the U.K. Following your return on May 6, 1971 you will be resident in the U.K. for 1971-72 onwards assuming you stay here.

For earnings up to April 5, 1971, there will be no U.K. tax. On income left in the U.K. between April 6, 1971 to May 6, 1971 (and in respect of accumulated salary returned here when you repatriated your Pakistan bank account to the U.K. if this took place in 1971-72) you will be taxed. This is because as a resident of the U.K. you pay tax on any foreign employment income remitted to the U.K. in the tax year (or constructively remitted, for example, never taken out of the U.K.).

For non-residents foreign employment income is not taxed in the U.K. so that you will not be taxable on the sums you left in the U.K. before April 5, 1971. This is irrespective of whether the sums were saved or used for commitments.

You may be liable to account to the Revenue for U.K. tax if included in your commitments were any items on which you withheld tax when making the payment. This would apply for example in paying interest covenants or alimony other than small maintenance payments.

Striking off a company

Referring to your item headed Striking *Off a Company, (July* 14), I note that S.353 of the Companies Act 1948 can only be used where the company has no assets. But if a company's only asset is an inter-company balance due from its holding company which is exactly equivalent to its share capital, is this treated as an asset and if so can the Crown claim it as *bona vacantia* under S.354? Is S.354 only meant to apply to companies where the shareholders cannot be traced?

Certainly this would be an asset, and equally certainly the Crown could claim it as bona *vacantia.* You will have to let this debt become statute barred before adopting this course. Section 354 applies quite generally—there is no limitation *to cases* where the shareholders cannot be traced.

*

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WEDNESDAY AUGUST 18 1971

The floating season

THE LONDON foreign exchange market was closed yesterday and will remain closed to-day, but there were dealings in some other centrea. Much the most active were in Tokyo, where holders of dollars rushed to get rid of them and the Bank of Japan continued to hold the exchange rate: the official reserves rose by another $721m. to over $10,000m. and are now larger than those of the United States. The Government, though clearly under pressure to let the yen float upwards, is also under strong pressure from the business community—which fears that its earnings will be badly affected by the U.S. import surcharge—to do no such thing. Indeed, there have been demands that it should retaliate by withdrawing its proposals for trade liberalisation and abandoning the voluntary controls over exports of steel and textiles to the U.S.

Revaluation

Since one of the main objects of the U.S. measures is to bring about a substantial revaluation of the yen and so reduce the trade deficit with Japan, the conflict of interest is clear: the Ministerial meeting which is due to take place in Washington early next month may be something less than amicable. If Japan refuses to revalue by an amount which the U.S. Administration considers adequate, the surcharge will certainly be retained against her exporters—only the largest of which can afford to absorb it—and might even be increased. The Japanese Government has to take into account not only this possibility but another. Since the effect of the U.S. surcharge may well be to divert part of the Japanese export effort elsewhere, and particularly to Europe, a refusal to revalue might lead to the introduction of surcharges against her goods in other countries as well.

The dollar was allowed to float down in some other financial centres yesterday but the falls were not great. It will inevitably take time to agree on a new level of parities, if only because of long-standing differences of opinion and self-interest inside the Six. In the meantime, the only practical course is to let rates float against one another. The float will be managed by central banks, preferably in consultation with one another, and inside margins which will almost certainly be wider, though unstated, than those observed before last week-end.

Britain, as a prospective member of the EEC, is undoubtedly right to seek, even before the coming meeting of the Group of Ten, to co-ordinate its exchange rate policy with that of the Six. But co-ordination does not imply moving strictly in line with them, even if they can agree on a common course of action. Large as the balance of payments surplus may be at the moment, it will run off rapidly as the economy returns to full employment and a considerable continuing surplus will be needed to meet the cost of entry into the Community. Overall, there should be no appreciation of the pound and any appreciation of it against the dollar must be kept as small as possible.

Gold price

Ona can do no more at present than guess what is to follow the season of floating rates. The majority of central bankers would probably prefer to get back to fixed rates as soon as practicable, though with wider margins which would carry some of the advantages of a floating system. The U.S. Administration was pressing for wider margins before last Sunday's announcement, in which President Nixon called for reform; he also referred to the suspension of convertibility as temporary and to the need to retain the dollar as a pillar of monetary stability. Apparently he envisages an eventual return to the old system, with the dollar pegged to gold and other currencies pegged to the dollar, though with wider margins.

But it seems likely that the Administration, in that case, would be even less willing to make the dollar really convertible into gold than it has been since the two-tier structure was erected. If it is not to sell gold, the price at which the dollar is pegged to it is of minor importance. The French, however, and perhaps some other Governments, would be more willing to co-operate in monetary reform if the U.S. would make some concession on this point.

Australia's economic challenge

YESTERDAY'S AUSTRALIAN budget reflects two facts about the country that have changed markedly since last year. One is that economic policy is once again firmly under the control of Mr William McMahon, the Prime Minister, who made a name for himself as a conscientious but cautious Treasurer during the period of Australia's highest prosperity in the late 1960s. The second fact is that the Australian economy is now facing several of the problems which have become familiar in the U.K. and the U.S.

Unemployment has been rising, but so also have prices and consumer demand at a pace which the Treasurer, Mr. Billy Snedden, appears to find mildly alarming. The Government's response to this situation has been to introduce a severely deflationary budget with increases in personal and company tax. At the same time it is offering subsidies to the rural sector where unemployment has been growing most rapidly.

Popular features

The budget is emphatically not of the pre-election variety and must therefore dispose of rumours that Mr. McMahon plans to call an election well before he becomes legally obliged to do so at the end of next year. Its popular features, which include increased pensions and student grants, are modest and will do no more than blunt the edge of the taxation increases. However, while Mr. McMahon and his Treasurer are living up to the Government's reputation for sobriety and responsibility (a deliberate contrast, apparently, to the free-wheeling premiership of Mr. Gorton) it remains doubtful whether they really have the answer to Australia's economic problems.

The increase in consumer spending, which is one of the main worries at present, is obviously linked to the round of large wage increases won by Australian trade unions early this year. There is no reason to think that Australia will be more successful in solving its wage and labour problems through conventional deflationary methods than any other country which has tried this approach.

The special feature in Australia is, of course, that the economy possesses an underlying strength which remains undiminished by short-term difficulties. Australia's mineral wealth is only just coming into its own and can be guaranteed to provide a handsome foreign exchange income so long as the reserves last and while Japan and other industrial countries remain in the market. The existence of this wealth means that Mr. McMahon has more time to try out alternative remedies than has been available to those in charge of the British or American economies. It does not mean that Australia is insulated from world economic problems.

Sales to Japan

If President Nixon's 10 per cent. surcharge produces a really sharp fall in American imports from Japan and in consequence throws the Japanese economy back into the recession from which it has just begun to emerge, Australia will certainly feel the pinch on its own sales to Japan. The American measures will also, of course, affect Australia directly since the U.S. comes second only to Japan as a customer for Australian exports. The result could be to redouble the economic pressures now facing Australia—and thus also the political pressures facing Mr. McMahon. In neither case does the Government seem well equipped to face a challenge.

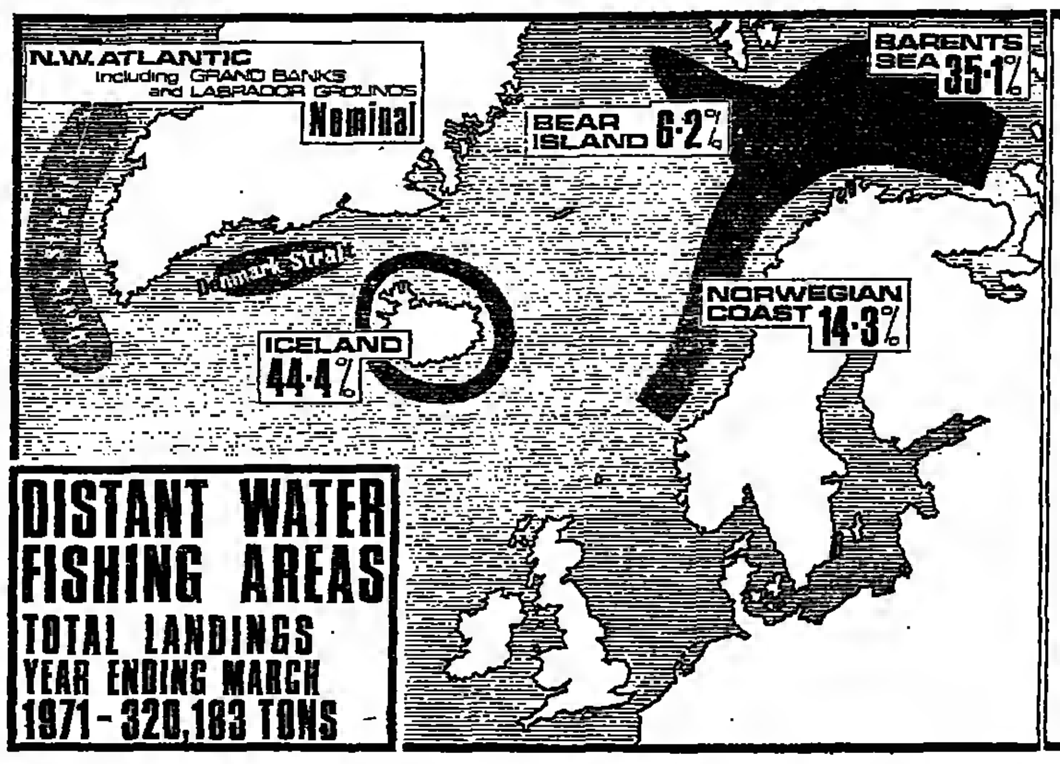
Why Iceland is pushing its claim to the 50-mile limit

Ken Gofton describes how Britain's 'distant-water' fishing industry will be affected if Iceland succeeds in extending its fishing limits

THE Government must be heartily sick of fish. The entanglement over the inshore fishing industry is one of the last problems to be solved before the U.K. can go sailing off to join the Common Market. Now, looming out of the fog, comea another hazard—Iceland's threat to extend its fishing limits from 12 miles to 50 miles or more, a move which would have very serious implications for our distant-water fleet.

To-day, Iceland's Foreign Minister, Mr. Einar Agustsson, is due to see Mr. Joseph Godber, Minister of State at the Foreign Office, to explain his Government's position. Later, he will give a Press conference before flying to Bonn on a similar mission.

Iceland's last, and ultimately successful, attempt to extend its fishing limits—from six to 12 miles—led to the famous "cod war" of the late 1950s, when for three years the British fleet fished with gunboat escorts. Of the settlement of that dispute in the early part of 1961, the Financial Times reported: "While not abandoning her claim to exclusive fishing rights in the whole sea area covering her continental shelf, Iceland undertakes to give six months' notice of any proposals to extend fishing limits, and any dispute arising from such a claim can at the request of either side be submitted to the International Court of Justice."



Live in shallow waters

What we are seeing now, exactly 10 years later, is the revival of the Icelanders' claim to the exclusive use of their Continental shelf waters, which extend 50 to 70 miles around the shoreline. This is a much more ambitious move than the last—and much more serious, for several reasons.

The first point is that almost all the fish we eat—cod, haddock, halibut, plaice — are bottom-feeding species which live in the shallow water where their food is. In deeper waters the fish are rarely found, and anyway, it is claimed, no economic technique exists for catching them. Thus, while the last agreement reserved the richest grounds for the Icelandic fleet, the new move, if it becomes effective, will exclude foreign vessels almost entirely. There are places where the Continental shelf extends beyond 50 miles, but the greater part falls inside that distance.

Secondly, the British distant-water fleet has continued to fish very successfully in the waters around Iceland outside the 12-mile limit. Over 40 per cent. of its catch, equivalent to about a fifth of all the white fish landed here, comes from that region. There are a number of reasons for that. Partly it is tradition—the charts of Icelandic waters are scattered with British names like Whaleback, Workingman's Bank, Boxing Gloves, and North Cape. Tradition is important to fishing vessel skippers, who have so much at stake that they tend to return time and again to the waters they know. For some of the smaller vessels, the 139-footers, Iceland is about the limit in terms of distance and the sort of conditions they can face.

By reputation, also, Icelandic catches are fairly consistent, without the giddy peaks and the desperate shortfalls of some of the other grounds. As a result, because of the weather or the presence of the fish, almost all of the British distant-water vessels fish off Iceland at one time or another. Mr. Kevin McNamara, MP for Kingston-upon-Hull North, said in a House of Commons debate last month that a quarter of the Hull catch, 41 per cent. of the Grimsby catch, and 62 per cent. of the Fleetwood catch (traditionally an "Iceland" port) came from Icelandic waters last year. The British, followed by the Germans, are the main "foreigners" fishing in the region.

It is true, of course, that a large part of the British fleet could fish further afield, with an inevitable addition to costs. However, a cause of great anxiety to the leaders of the British industry is what might well be called the "domino theory," a term more frequently used in connection with South-East Asian politics, but equally appropriate here. What worries them is that Iceland pioneered the way for other countries when in the 1950s it took a unilateral decision to extend its fishing limits to 12 miles.

This led ultimately to the 1964 West European Fisheries Convention, when a 12-mile limit became accepted as the norm, with some provision for foreign vessels to fish in the six- to 12-mile belt where they had traditional rights. It is felt now that if Iceland establishes a case for a 50-mile limit, it will be followed very quickly by others, the most likely candidates being Greenland, the Faroes and Norway.

What, then, are tha motives of the Icelanders? In particular, as their ambition in this field has been known since at least 1948, why should they choose this moment to seek to put it into practice?

'Nationalism a factor'

To some extent the answer must be conjectural, but several factors are involved. A rather soured comment from one spokesman in the British industry was that it boiled down to nationalism, and fish—accounting for 90 per cent. of the country's exports—was all that Iceland had to be nationalistic about.

However, in London yesterday, Iceland's Foreign Minister stressed that conservation was a main plank of his country's case. This may startle the U.K. industry. The general feeling here is that the Icelandic shoals have not been endangered in any way: Mr. Austen Laing, director-general of the British Trawlers' Federation, comments: "There has never been any question of having done damage to the stocks by excessive fishing. In any case, we have said for many years that we are ready to talk to them about more effective preservation or quotas."

Change in tactics

Nothing, however, is straightforward in this industry. Excessive fishing has more than one definition. It can only mean that the future of the stock is endangered because not enough young fish reach maturity to support it, or it can mean simply fishing to the point of diminishing returns.

Taking the argument further, there has been a major switch in Icelandic fishing tactics. The OECD Review of Fisheries for 1970 shows a sharp increase in landings of cod, up from 235,000 tons in 1968 to 307,000 tons last year (coinciding with high prices in the U.S.), and a matching drop in catches of herring (down from 143,000 tons to 46,000 tons over the same period).


Mr. Einar Agustsson, Iceland's Foreign Minister: talks in London to-day.

Clearly, then, the Icelandic industry is taking a closer interest in the future of its cod. The Icelanders point out that catches of haddock by Iceland, the U.K., Germany, France, Belgium and the USSR have dropped from 110,000 tons in 1961 to 46,600 tons in 1969, and the cod stock shows more serious signs of depletion. About 55-60 per cent. of all spawning cod is now caught annually, thus dooming the stock to total eradication if the present trend continues.

These are figures which are likely to be disputed by British fisheries scientists, but the Icelanders, who account for about half of the cod catch, clearly feel that if they chased the foreign boats off the shelf there would be no problem at all.

Urgency has been introduced into the argument on two counts. First, the Icelanders are aware of what has been happening in other parts of the North Atlantic. In particular, much of the international fishing effort of the last three years or so has been centred in the North-East Atlantic, in the Barents Sea area, where there has been a bonanza. The level of catches has held up remarkably well, but is showing distinct signs of tailing away, and the fleets are beginning to drift back to Icelandic waters. If overfishing is a genuine problem, this can only make it worse.

Secondly, a United Nations conference on the laws of the sea is scheduled to take place in Geneva in 1973. Already the preliminary meetings for this conference, at which national delegations are putting forward their negotiating positions, are taking place—and at one such meeting yesterday the U.K. strongly criticised the Icelandic policy. It might be argued that Iceland's case could happily be sorted out in 1973, but the Government in Reykjavik does not see it that way.

"In the first place," Mr. Agustsson said yesterday, "no one at this stage can forecast when the conference will be held. Conferences have been cancelled before now. Secondly we feel that the preservation question cannot wait any longer. Thirdly, when we acted in 1958 we were then also asked to delay and wait for a conference. That conference was held in 1960 and no conclusion was reached: we fear that the same will happen again. The big countries, the U.S., U.K. and USSR, seem to go for a 12-mile limit. We do not feel that this is enough for Iceland."

Meanwhile, the U.K. Government has made known the coolness with which it regards Iceland's bid to extend its fishing limits. In mid-July the British Ambassador in Reykjavik delivered an aide-memoire to the Icelandic Foreign Ministry, regretting that the Icelandic Government had announced its policy without consultation, and reserving Britain's rights under the 1961 agreement to take any dispute to the International Court of Justice.

One hopeful sign

Then in the House of Commons on July 20, Mr. Anthony Royle, the Under-Secretary of State for Foreign and Commonwealth Affairs, made clear that the Government did not accept that conservation was an argument for extending fishery limits, "believing that when conservation measures are needed they should be taken by international agreement." He went on to say that as recently as last May, on the basis of the latest scientific information available, the North-East Atlantic Fisheries Commission had concluded that no further conservation measures were necessary in Icelandic waters.

The one hopeful sign is that Mr. Agustsson has come in the belief that there is room for negotiation. One possibility may be the introduction of quotas or a licensing system. If the two Governments cannot find common ground, however, it looks as though we face a lengthy case in the International Court of Justice, and presumably, a return to gunboat protection for the fishing fleet.

MEN AND MATTERS

The tale of the investment analyst

One of the continuing debates in the investment world is the relative roles of the fund manager and the investment analyst. This debate has been particularly keen in the U.S., where the concept of the investment analyst originated and first flourished. It is not long since the investment analyst also seemed to be a flourishing figure here also, with (for example) the founding of the Society of Investment Analysts in the 1950s. There are perhaps 4,000 or more analysts at work now in the U.K.

But something of a reaction seems to have set in recently. Last year Charterhouse Japhet, the banking arm of the Charterhouse group, disbanded its investment analyst department of three people (part of the investment management side of the bank) because it found that it was merely duplicating advice got from elsewhere. In effect, advice was being triplicated, coming in from brokers, from the bank's own economic adviser and from the analysts.

Now a very similar change has taken place at Hill Samuel. It had a group of four investment analysts, separated by a wall though without a formal departmental title. Now it has disbanded this group, and one of the four has become a fund manager while the other three have left (they were offered other jobs, but decided not to take them).

Now the onus for research has been placed squarely upon the fund managers themselves, so welding together the two functions. This at least gets round the old problem that fund managers sometimes used to go their own way whatever the analysts said. Another similarity to Charterhouse is that there is now a member of the bank staff giving advice to the fund managers on broader economic questions.

The debate will no doubt continue—except for the one Hill Samuel analyst who has opted out of it all to go on a trip round the world.

Hiring firemen

Have I stumbled upon the real reason why the international money markets are in such confusion? The Mafia, according to a report in the Italian newspaper Tempo, is to hold a general meeting of partners in Palermo soon, to discuss ways of improving its international cash flow. The Mafia, said to be worth £1,300m. inclusive of U.S. subsidiaries, apparently finds that the massive sums of cash that arrive at its various collection points diminish to only a fraction by the time they reach its central coffers. The general meeting, it is reported, will be asked to approve measures to streamline the organisation, with possible consequent redundancies at middle management level. It is believed that outside consultants may be called in to implement these redundancies.

Hard cheese on Guernsey goats

A trust in Guernsey has found that public appeals to raise money for goats are a waste of time. There seems to be something about goats that touches neither heart nor purse strings. This has been more than an embarrassment to the trust—comprising several local dignitaries—which now has 30 hungry animals on its hands and red ink at the bank.

The object in taking over the herd last February was to continue breeding superior animals, known as "Golden Guernseys" which would eventually take the goat world by storm. The goats are recognised in the U.K. as a distinct breed, and a trust member says: "The potential is enormous. The animals have distinct light-brown coats, gentle dispositions, and yield milk which is very high in butter fat content. I believe 60 per cent. of the world's population depends on goats' milk or its products. The Golden Guernsey goat could do as much for the island as have our famous breed of cows."

Unfortunately, a desperate appeal recently for up to £1,000 produced not a penny. "Maybe people just don't like goats," said the spokesman. "I suppose history hasn't done their image much good." So now the only indigenous herd of Golden Guernsey goats faces immediate dispersal and perhaps extinction.

Class of '54 comes to market

The story of Unitech, in which share dealings start next Tuesday, is bound up with the Harvard Business School, and sounds a bit like a school case-study. Enter two young Oxbridge men, back in the days (Class of 1954) when Master of Business Administration degrees were a novelty to the British. The pair, Mr. Peter Curry and Mr. Gordon Macpherson, decide that one day they would put theory into practice in their own business. For six years Macpherson is a stockbroker in New York and London, and Curry works for Solartron and Mullard. Then they decide on the electronics field and found Unitech. Starting some companies and buying others, it grows in a style we now call venture capitalism.

So far, after nine years, there are 11 companies owned or part-owned, ranging from a company making more than half the backs for British TV sets, to another concerned with optical mark reading machines which do things like check football pool coupons.

Curry says one can do all this from a small central base. Macpherson is non-executive, his main business still being stock-broking, and the other main executive is Curry's younger brother John, who has done his Harvard MBA as well. It is a matter of "very tight financial control. Running this is not that different from running GEC. It still comes back to the success of a few individuals and their product strategy."

Where the business school rules could not help was in last year's unsuccessful attempt to gain a quote by buying Newton Derby (since bought by Bulough Securities) or an allied scheme to buy that part of another public company, Pantiya Electronics, that Unitech did not already own. But now the share introduction should give the green light to the Pantiya merger. It may also give Curry some breathing space to send his managers on Harvard courses, furthering, he saya, "the process of educating engineers and marketing men into businessmen."

Chucking it in

In the gathering gloom of an international monetary crisis, we can all sympathise with Mr. J. Walker, who, according to the journal of the Institution of Chemical Engineers, "has resigned his directorships and purchased a fish and chip shop."

Observer

THE OUTLOOK AFTER NIXON'S PACKAGE

A political coup for the President

From JOHN GRAHAM, U.S. Editor, Washington, August 17

JUST TWO DAYS after the event, it is clear that President Nixon has managed to do what Harold Wilson couldn't. He has devalued the national currency *without* inducing any feeling of national shame. He has convinced the American public that America has been unfairly victimised by international speculators, and at the same time left them feeling stronger and tougher. Politically, he has done himself nothing but good. His Administration is upbeat and on the offensive: *his* critics are silent.

The U.S. system is so different economically and politically from the British one that it is perfectly possible to believe Americans do not on the whole care at all about the dollar's devaluation. When the President said on Sunday night that "Your dollar will be worth just as much tomorrow as it is today," it was both truer and more believable than Mr. Wilson's "Pound in your pocket" claim. The President said he was going to lay to rest "The bugaboo of what is called 'devaluation'," and I strongly suspect he has done so.

Clearly this is of political benefit to any Administration. There had been a *belief that* any President who devalued the dollar would enjoy a premature return to private life—and this may still turn out to be the case—but it is far from proven. In the last two days here attention has been focused, in newspapers, television and ordinary conversation, on the wage-price freeze, *not* on the dollar. The devaluation is simply not a major talking point.

This is partly because of the *technical* nature of the Administration's moves. Granted that the dollar has not been officially devalued, and granted that you wouldn't get much thanks for saying so to any American tourist in Europe, people do of course know that the dollar is in trouble. But the mechanics of convertibility and the international exchange system are so remote that people don't care much either way. In this sense, the asymmetric nature of the system has worked to Mr. Nixon's advantage.

Independence

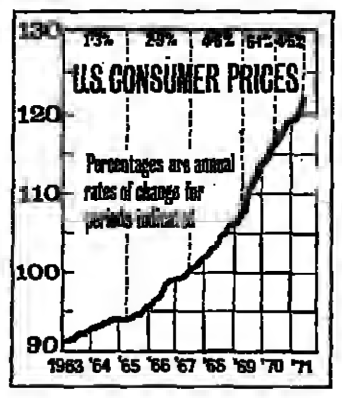
The more quantifiable advantage derives from America's relative independence. Imports make up a mere 4 per cent. of the country's gross national product. The vast majority of Americans never set foot outside America (except possibly in uniform) and have almost nothing to do with the rest of the world. Unlike Europeans, they do not go to other countries for their holidays, and their own country is not full of foreign tourists.

Thus any president who acts against "the foreigner" draws an instinctive response, however dimly understood his actions may be. When at the same time his actions are perceived as "strong" and "decisive," he draws *from* the *second well* of support in the presidential system. Americans like their presidents to be strong: they are an impatient people, who want to see things happen and especially want to see their President making things happen.

The clearest evidence of this so far in President Nixon's Administration was his aggressive plea for support in the Vietnam war two years ago, which despite the almost unanimous opposition of Democratic politicians, young people, the academic world and most of the Press, enormously increased his popular support and room for manoeuvre.

Something similar is happening now, which is why Sunday night's statement was such a political coup. There is no question at all that President Nixon was in very considerable political trouble over the economy. His Administration had changed its policies time and again, and the public promises, becoming ever emptier, were ignored at best, ridiculed at worst. The Democrats had the issue all to themselves, and *even* blue-blood Republican types such as the money men of Wall Street and the farmers of the Mid-West were fed up.

Now that the President is actually doing something his position is hugely improved. *The Democratic candidates* for the presidency have, with only one exception, approved his measures. Important Democratic *economists such* as Mr. Walter Heller (President Kennedy's chairman of the Council of Economic Advisers) have praised the package. The Congress, *controlled* by the Democrats, has no choice but to endorse those parts of the package which need legislation, or at any rate most of them. Mr. Wilbur *Mills, chairman* of the Ways and Means Committee, is too smart a politician not to recognise this instantly. The White House has made it easier for the *Democrats* to accept the inevitable by inviting them all to a special session with the President yesterday and actually sending aeroplanes to collect them from their various *constituencies*.



There are, of course, groups who dislike parts of the package. Mr. George Meany of the AFL-CIO has been very critical of the *wage freeze*, as has much of the labour movement, but the highly publicised wage settlements of the last three years have eroded popular support for the *labour* unions. There is nevertheless some basis to the argument that the domestic measures are a tax bonanza for big business.

As no doubt in any comprehensive new economic policy," there are dreadful inequities. To balance the tax reductions in the Federal budget, the President plans to cut expenditures, and the expenditures he plans to cut will come from his two main "revolutionary" programmes, revenue-sharing and welfare reform. Thus the cities will be denied the money they desperately need, and the poor, already faced with a hopeless welfare system, will have to wait for further relief. Just as they paid for the recession, so they have to pay for the recovery.

Politically, *this* will not hurt the President. Most of the poor do not vote in any case, and who do, vote Democrat. Close electoral battles are won and lost in the centre, not on the edges.

But if President Nixon's activism has routed the Opposition, baffled the experts, infuriated the Japanese and gainedthe support of U.S. industry, it has not guaranteed the continued health of the American economy, the international monetary system, or the Republican Administration. There is *still* a great deal that can go wrong for any or all of these three between now and the Presidential election in November next yar.

Inflation

In the first place, one simply cannot be very sanguine about the 90-day wage and price freeze. Technicians in the U.S. Government, as well as politicians, are wondering what on earth the President will do on November 12, when the 90 days are up. It is unrealstic to hope that there will be no serious inflationary tendencies still lurking for the thaw. Mr. Nixon left himself the option of extending the freeze, and there are many people who believe he will have to do so.

The income-tax and *Excise* tax measures may lead to a consumer boom quickly enough, but the reintroduction of an investment tax credit cannot lead to a capital boom for many months. There are still plenty of forces built into the economic situation which will increase unemployment. With military personnel still to be reduced, a consequent reduction in defence-related civilian business, and plant utilisation in the second quarter at only 73.2 per cent., there is a large void to be filled before the American economy is anywhere near full employment.

There are already plenty of people in Washington who say that it is too late for President Nixon anyhow—that what has happened to the economy in the last two *years*, combined with the certainty that unemployment will still be high this time next year, makes his re-election at best improbable. Historically this is valid. Mr. Nixon has always been especially aware *of* the damage unemployment does to the Republican Party, and Arthur Burns warned him specifically on this point during the 1960 recession, when Nixon was running for the Presidency against John Kennedy.

Even more so to-day is the Democratic Party seen as the party of prosperity. In the autumn of 1968 when Mr. Nixon inched ahead of Hubert Humphrey, the polls showed that people *felt* the two main political parties to be about matched in their ability *to* keep America prosperous. Earlier this month the Democrats had a two-to-one edge.

If the British Election in June last year told anything, it was that voters do not in fact have the short memories with which they are so condescendingly credited by some.

INTERNATIONAL MONETARY RELATIONS — FROM PAUL LEWIS

America takes a tougher line

WASHINGTON, August 17.

THE U.S. is now engaged in a struggle of *will* with its major trading partners over the future value of their currencies. In international terms the principal aim of the new economic measures annouoced by President Nixon on Sunday evening is to persuade the big surplus countries of Europe and Asia to revalue against the dollar. Although far from a new objective, this is nevertheless one which the U.S. has had only partial success in achieving so far. The main feature of the Administration's latest drive is that its approach is tougher and its tactics more skilful than before.

The over-valuation of the dollar has been a fact of international monetary life for a number of years now—as also has the refusal of successive U.S. Governments to accept a formal devaluation and, indeed, the various difficulties in the way of their doing so. But while Germany, Holland and Switzerland have tried to meet this situation by allowing their currencies to appreciate in terms of the dollar, it has been above all the strong opposition of France and Japan to any collective revaluation that has prevented the rest of *the* world from shouldering the whole burden of exchange rate adjustment.

The conflict last came to a head *in May* when the German Government was prompted by the massive inflow of dollars into Europe to suggest that the Common Market countries as a group should allow their currencies to float upwards to a higher parity against the dollar. The French turned this down flatly, arguing that fixed parities were essential for the proper functioning of the Com*munity* and that *in any case* the Six had no duty to correct the American payments deficit. The result was that the Germans and the Dutch went ahead with the float of their own, splitting the Community publicly down the middle and dealing another blow to its farm policy and monetary union plans.

Leverage

So far as Europe is con*cerned*, the immediate effect of the new American moves has been to reopen this issue. Now that the dollar is effectively floating, the European countries must decide whether to intervene to hold their own currencies to their official parity or allow them to appreciate. However, in three broad respects the situation is different to-day from what it was last May and the U.S. Administration has a better chance of getting its main trading partners to *realign* their currencies in terms of the dollar.

In the first place it *will* be more difficult to argue, as the *French and* the *Japanese have* done, that fixed parities are still *the* basic *rule* of the international monetary system and that countries in *payments* deficit should adjust downwards, while those suffering from an influx of unwanted funds have the right to protect themselves with exchange controls. The basic cornerstone of the Bretton *Woods system is* the *dollar's* convertibility into gold; in theory this still existed in May —now it has disappeared, making, as the Americans say, an entirely new ball game.

Secondly, the U.S. Administration hopes to get some powerful diplomatic leverage out of its import surcharge. It has already made it perfectly clear that the surplus countries will have to live with the surcharge so long as they maintain their *existing* parities. Although the Japanese complained first and loudest, the German Government must also be worried by the prospect of another hurdle for its exporting industries which have already been penalised by an effective D-Mark revaluation of around 8 per cent.

Finally, there have been signs that the French themselves are finding their earlier stance something of an *embarrassment*. With domestic inflation now a major political problem for M. Pompidou's Government, there is plenty of sympathy in the civil service for the German point of view. The politicians may have been publicly committed to a "no revaluation" policy; but it is also true that the Government has never entirely ruled out a collective appreciation of Community *currencies* against the dollar providing that means are found of safeguarding the agricultural policy.

Same attitude

But if the outlook in the Common *Market* appears more fluid than before, it is difficult to say the *same* thing about Japan. Indeed, by keeping their exchange markets open and continuing to absorb dollars, the Japanese are taking very much the same attitude as the French in May—playing by the Bretton Woods rules as though nothing has changed.

Whether the Japanese could hold out against the collective pressure of the rest of the industrial world is uncertain. But it looks at present as though Tokyo presents the U.S. policy-makers with one of their toughest obstacles.

The American case is that it would be foolish to go to all the trouble of devaluing the dollar against gold and other currencies when most of the world would simply follow the parity change themselves. The dollar is only seriously overvalued in terms of four or five key industrial currencies and the *simplest* and least damaging course is for these to appreciate, perhaps by mutually agreed amounts.

When this realignment has been completed the system should be made more flexible by widening support margins to give Central Banks greater leverage against hot money flows.

For many European countries the most striking feature of this approach is that it would leave the dollar in a more privileged position than ever before. A firm precedent would have been established that other countries must make the adjustment whenever the dollar becomes uncompetitive. Moreover, as it is hard to imagine the U.S. ever re-establishing even theoretical *convertibility for* the dollar without a truly massive parity realignment, the probability must be that even this constraint on the conduct of American economic policy would have disappeared and another step taken towards the formal demonetisation of gold.

For this reason, it is quite certain that the secret discussions now under way in various capitals will go well beyond the techniques of parity realignment to deal with the fundamental basis of the monetary system.

There is bound to be pressure from some European countries for at least a small increase in the official price of gold to preserve its monetary role in exchange for any revaluation. But there will also be searching questions about the dollar's future as a reserve asset with the U.S. *still in deficit* and convertibility suspended.

What will come out of the debate must remain anyone's guess for the moment. But over the last few months a number of European Governments have been showing interest in quite radical monetary reform.

INSURANCE AND INVESTMENT TRUSTS — BY MICHAEL BLANDEN

Britain's stake in the U.S.

TWO LARGE groups of British financial institutions have particularly important commitments to the U.S., and as a result are likely to feel an impact both from the measures already adopted by President Nixon and from any further developments in the world monetary situation.

The insurance industry—the big companies and the Lloyd's underwriters—has a large and well-established business in the U.S. For some companies, this accounts for a substantial proportion both of their premium *income and of their* profits. At present, those most directly concerned are considering carefully the implications of the recent developments.

The same is true of the investment trusts, which, of all the large U.K. investing institutions, have tended to take an international view of their portfolios. In particular, the Scottish-based trusts have a reputation for taking a close and large-scale interest in the North American share market.

Both of these groups on the face of it stand to lose if the dollar were to be devalued by one means or another against sterling. Their assets in the U.S. would be worth less in terms of pounds, and their income from there would be reduced. Yet in fact neither group appears at present too concerned about the situation, and on *both sides* it is being argued that, even if the dollar is worth less in terms of other currencies, there might be something to benefit from in the other *measures taken* by the U.S. Government, which would at least offset the setback and might produce a net advantage.

In the insurance industry, a reduced value for the dollar would have the immediate effect of lowering profits earned *in* the U.S. when translated into *pounds* for the accounts. The 1970 figures from the British Insurance Association showed that £521m., or 29 per cent. of its members' general premium income, arose in the U.S. *On* this, the companies made a loss of *£13.2m*. But this is not the whole of the story since this underwriting loss, which the companies are working hard to reduce, was offset by the income earned from their investments in the U.S.

Three major insurance groups are heavily involved in the U.S.—the Royal, the Commercial Union, and General Accident. Taking the Royal's figures for last year, the group reported that over half of its total *general* premium income of £405m. came from the U.S.

This produced an underwriting loss of £4.6m. But against this, the U.S. brought in £15.2m. of investment income, exactly half of the group's total investment income and a big contribution to pre-tax profits of £30.3m. Commercial Union tells a *similar* story, *with £155m.* of premium income (excluding life business) from the U.S. out of a total of £390m.. U.S. underwriting losses were £7.2m. but investment income from the U.S. amounted to £12.3m. And *General Accident* reported *some* 49 per cent. of its short-term premium income as coming from the U.S.

Sterling value

Devaluation of the *dollar* in terms of the pound would plainly have the effect not only of reducing the sterling value of the companies' substantial assets in the U.S., but also of cutting the contribution which their *transatlantic* business makes to their sterling profit and loss accounts.

Dollar premiums are paid into this fund, and claims are met from it. The assets on which their North American business *is* based, therefore, *would* remain effectively untouched by a reduction in the sterling value of the portfolio.

Against this, the insurers argue that the effect of President Nixon's measures is likely to be, on balance, beneficial to their business. There might, it is thought, be some short-term adverse affect if the U.S. moves result in a reduction of the country's international trade and therefore of insurance requirements.

But the general aims behind the *internal* measures taken should be favourable to the *insurance* business. *In* the *first* place, any moves to increase the level of industrial activity and economic growth are likely to provide the right climate for selling more insurance.

Secondly, if the U.S. Government succeeds in reducing the rate of inflation, it will be making a major contribution to the efforts being made by all British underwriters to improve their insurance results in the U.S.

Finally, as Wall Street already seems to have recognised, the whole package should be good for *share* prices and therefore for the industry's equity investment in North America.

They all make the point, however, that this would have but a minor impact. It does not, they emphasise, affect their ability to do business and to expand in the U.S. The big insurance companies treat their U.S. business, in effect, as a separate operation, usually carried out through U.S. subsidiaries. They maintain in the U.S. more than enough assets to cover their liabilities there. And while the surplus of assets over liabilities would be reduced in value in terms of sterling, this would make no difference to their internal U.S. balance-sheets.

The same is likely to be true of Lloyds. Though a London-based business, carrying on its large *overseas* activities from the City, the Lloyd's underwriters have similarly the protection of substantial U.S. assets. Lloyd's maintains an American Trust Fund, invested there, which now stands at over $1,000m.

This last factor is the most important to emerge from the point of view of the investment trusts which are heavily committed in the U.S. On average, it is reckoned, the investment trusts as a whole have *something* like 20 per cent. of their total assets invested in North America—implying a total commitment of up to £1,000m. Yet the immediate effect of the U.S. measures has been, if anything, to help the prices of investment trust shares in London.

COMPANY NEWS + COMMENT

Southerns-Evans margins improve

TURNOVER of Southerns-Evans for the year ended April 30, 1971, fell slightly from £25.57m. to £25.19m., but profit before tax rose from £957,114 to £1,104,036.

The dividend is held at 20 per cent., as forecast, with an 11 per cent. final. There is also proposed a one-for-10 scrip issue, to holders registered October 6.

Group activities cover timber, sheet materials, doors and joinery. The improved profit to some extent reflects a change of emphasis in the pattern of trading.

Profit included £17,652 (£29,885) surplus on sale of property. After tax net profit came to £661,758 against £513,400, to give stated earnings of 9.62p (7.46p).

Cost of the Preference dividend was £21,754 (same) and of the Ordinary £332,795 (£330,702).

● comment

With 1970-71 pre-tax profits some 16 per cent. to the good, Southerns-Evans must have pulled out all the stops in the latter part of the year. Interim profits were down 8 per cent., while third-quarter sales were reported to have dipped 4 per cent. The late upsurge reflects the exceptionally mild winter, a better geographical spread of outlets together with an improved service to the smaller customer and a more selective policy in the type of business taken on. While integration benefits must have had some effect, it was probably the latter point that resulted in the marked improvement from 3.75 to 4.4 per cent. in margins. If margins can be held at this level, prospects for the current year look promising. Housing starts are well up, while the furniture industry appears to be going through better times. So an 8.9 p/e at 90p has its attractions.

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Law Land first half advance

FIRST HALF group pre-tax profit of Law Land Company improved from £428,023 to £451,341, and, the directors state, the upward trend is expected to continue in the second half.

The interim dividend is stepped up from 4 to 4½ per cent. A total of 10½ per cent. was paid for 1970 from the profits of £868,196.

	Half year 1971 £	1970 £
Group turnover	1,700,000	1,613,827
Profit	451,341	428,023
Taxation	181,200	192,600
Net profit	270,141	235,423

The valuation of properties, referred to last April is in progress and is expected to be completed and the result announced by the end of the year, the directors state.

The primary business is investment in and development of real property in U.K., mainly office and shop properties.

3% more by McLeod Russel

GROUP PROFIT, before tax, of McLeod Russel and Co. expanded from £145,584 to £356,289 in the year to March 31, 1971, and the dividend is lifted from 5 to 8 per cent.

Last March the directors indicated that profits of the group as constituted prior to the merger with Imperial Tea should not be less than the £145,584 for the previous year, while Imperial should also contribute substantially.

Net profit came out at £192,346 (£73,182) after tax of £163,943 (£72,402).

The company is primarily engaged in tea producing.

● comment

The latest figures from McLeod Russel include profits from Imperial Tea for the first time since the acquisition in September, 1970 and the latter company (like most of the other Dooars producers) has had a comparatively good year both as regards higher crops and the absence of strikes that depressed the previous year. The original McLeod Russel part of the group, in line with half-time expectations, produced slightly higher profits. That said, the figures are probably of no more than academic interest because of the special buying of the shares that has been taking place in recent months—believed to be coming mainly from Jessel Securities. So in the context that the group has changed from being mainly an agency house to primarily a tea producer, the yield of 8.2 per cent. at 103p is out of line with the average for the sector with the premium rating explained by the market situation rather than trading prospects.

13½% again by Adams Butter

GROUP PRE-TAX profit of Adams Butter increased to £217,682 for the year to May 1, 1971, compared with the May revised forecast of in excess of £200,000 announced in connection with the issue of 2m. Ordinary 10p shares to the Irish Dairy Board. The figure for the previous year was £179,958.

The dividend, as forecast in May, is maintained at 13½ per cent. with a final of 7 per cent. The shares issued to IDB do not rank for dividend until after April 29, 1972.

When reporting first half profits of £105,400 (£102,811) last January the directors then indicated only a slight increase in profit and a reduced dividend total of 13 per cent.

	1970-71 £	1969-70 £
Profit	217,682	179,958
Taxation*	80,408	74,632
Net profit	137,274	105,326
Dividends	88,000	85,197
Retained	49,274	20,129

* After £10,290 (£5,030) overprovision previous years.

Meeting, September 23.

● comment

Against a depressed comparable half, Adams' second-half profits have jumped 47 per cent. pre-tax for an annual gain of 21 per cent. That takes earnings up to 1.5p a share. The non-butter interests—Davidson—swung round from losses of £6,000 to a £5,000 profit but these are still fairly minor in relation to the butter whole. This had to withstand an acute world shortage which reduced imports and is reflected in price rises of up to 25 per cent. by Adams over the period December to May, and turnover static at £2.0m. against £2.7m. Consumption of butter on a global basis may now be 20 per cent. lower than the mid-1970 level. If that sort of statistic applies to tonnage reductions at Adams, then a fair slice of the economies expected from the new Waltham Abbey plant have not had a chance to show their paces. Thus the latest profits performance is creditable. And with the down payment from the share deal with the Irish Dairy Board ploughing £400,000 into new plant and premises, a p/e of 15 at 23p has ample support (even without the group prospect of £300,000 pre-tax within the next three years).

Wellman's success to continue

CHAIRMAN of The Wellman Engineering Corporation, Sir Peter Roberts tells members he is confident that the policies the group is following will "continue to be successful" and will place the group "in a position to take best advantage of whatever opportunities arise," including entry into the Common Market.

As reported on July 9, group profit, before tax, for the year ended March 31, 1971 was £680,772 (£434,476) and the dividend is raised from 7½ per cent. to 9 per cent. There was an ex gratia payment to a former director of £15,000.

Of the total turnover of £12,073,573 (£8,497,564) 6.9 per cent. related to the sales of overseas companies, whose trading profit amounted to £59,529. Group exports from the U.K. amounted to £3,932,754.

Notwithstanding the "impressive" range of diversification, the group still considers itself as a pre-eminent supplier to the steel industry, both in the U.K. and overseas, says the chairman. The percentage of turnover applicable directly to the steel industry at home and overseas is now about 30 per cent. of group business, or about £4m.

Sir Peter reports that the group's Italian company has experienced financial difficulties due to problems with the Italian partner. As a result, a decision has been taken to allow the affairs of this company to be placed in the hands of a liquidator. An assessment indicates that if all debts are paid, the company will meet its liabilities.

Meeting, 25, Wilton Road, S.W., September 9, noon.

Capital & National final 8½%

A final dividend of 8½ per cent. by Capital and National Trust makes the promised effective 12½ per cent. Ordinary total for the year to July 31, 1971, compared with the previous year's equivalent 11½ per cent.

Also as foreshadowed, an interim for the current year of 4½ per cent. (4 per cent.) is declared, payable next April immediately prior to the next conversion date of the "B" Ordinary.

The recommendations will result in a capitalisation of £19,589 in the issue to "B" Ordinary holders of 78,356 "B" in the ratio of 3.102635 new for every 100 held.

Net revenue for the year was £452,731—the merger with London and Paris Investments last year prevents a true comparison with 1969-70, when the net figure was £346,952.

Valuation of investments is £18,502,919 (£13,604,457) including the full dollar premium. Net asset value of the Ordinary and "B" Ordinary amounts to 113p (86p) per share.

Newey & Tayler's upsurge

RECORDS IN both turnover and profit for the half-year to July 4, 1971, were achieved by Newey and Tayler, makers of pins, fasteners and haberdashery products, and the interim dividend is raised from 4 to 5 per cent.

Turnover was £5,077,000 (£4,572,000) and profit £543,700 (£187,050), which exceeds the 1970 total profit of £431,285 when the dividend total was 10 per cent.

Chairman, Mr. M. Newey, says: The considerable improvement in profit can be attributed to record sales, particularly exports, coupled with the reorganisation of management control. Acquisitions have been assimilated successfully.

The last full year's trading had shown a record turnover of £9,209,000 but there was a shortfall in profit recorded by the metals division due to the decreasing price of copper during that year—Mr. Newey predicted last April that 1971 should see a return to more profitable trading.

Under present circumstances and in view of the large export business it would not be wise to forecast the end-of-year results at this time. "We have to face the problems of the present United States surcharge on the one hand, and on the other, possible changes in the European Market."

Newey has subsidiaries in the U.S., Canada, Australia and South Africa and an associated company in India.

● comment

After two years of declining profits, the tide has turned for Newey and Tayler where first-half pre-tax profits have almost trebled. Profit margins improved from 4.1 per cent. to 10.7 per cent., helped by larger exports and a better performance by the metal division, thanks to the relative steadiness of the copper price in 1971. The contribution of new acquisitions is not quantified and their influence on the January-July profit trends is apparently not substantial. However, after this good upturn a damper is put on the future as the imponderables of President Nixon's 10 per cent. import surcharge have yet to be worked out. As the U.S. is Newey's largest overseas customer this could bring a check to second-half progress and reduce the impact of first half buoyancy. An historic p/e of about 10 at 130p seems rightly cautious.

Cattle's Holdings' progress

Cattle's Holdings has maintained its progress in the current year and the directors are optimistic regarding future development, says chairman, Mr. J. R. Cattle.

"We are in a strong position to face any increase in competition resulting from the implementation of the Crowther Committee's recommendations," he adds.

The long-term plan, he says, is to continue to expand geographically in all sectors, particularly in the check and credit trading division.

Deferred revenue of over £375,000 at March 31, 1971, is an indication of future profits and Mr. Cattle points out that over £105,000 was carried forward out of the 1970-71 profits. Customer's accounts receivable now exceed £2m. for the first time, being almost 50 per cent. more than last year's £1.42m.

The recent rights issue of £420,000 9 per cent. convertible unsecured loan stock 1987-91, necessary to maintain progress, was oversubscribed.

As reported on July 3 group pre-tax profit for the year to March 31, 1971, was £209,815 (£128,415) and the dividend 15 per cent. (11¼ per cent. equivalent). Check and credit trading contributed £192,808 (£140,171); retail £42,639 (£5,606); hire purchase financing £24,070 (£21,530); other activities £8,355 (£4,194).

Meeting, Hull, September 9, at 2.45 p.m.

A commercial cross-channel communications link operated by Gordon and Cotch Computer Centre and used to send data from London to St. Etienne, France. The picture shows an operator encoding sales documents for Johns Manville (Great Britain) for transmission to the JM European headquarters.

DIVIDENDS ANNOUNCED

	Current payment %	Date of payment	Corresponding div. %	Total for year %	Total last year %
Adams Butter	7	Sept. 24	6½	13½	13½
Benn Brothers	10	—	10	13½	13½
British Relay Wireless	Nil	—	6	3	9
Calor Gas	5	—	5	10	9
Capital and National	8½	Nov. 22	*4½	*12½	*11½
Capital and National int.	4½	—	*4	—	*12½
P. C. Cahill	(b)15	—	15	21	21
Jacksons Bourne End	3	—	9	3	15
Law Land int.	4½	Oct. 7	4	—	10½
Leadenhall Sterling	10	—	10	15	15
McLeod Russel	8	—	11	20	20
Newey and Tayler int.	5	Sept. 30	4	—	10
U.K. Property	13	—	10½	20	16½
Southerns-Evans	11	—	5	8	5
Witwatersrand Gold	†5cts	Oct. 2	5cts	5cts	5cts

* Equivalent after allowing for scrip issue. † Amount per share.

(a) Tax free. (b) On capital increased by rights and/or acquisition issues.

Northern Developments forecasts £2m.

TAKING ALL factors into account Mr. D. H. Barnes, chairman of Northern Developments (Holdings) anticipates that current year profits will be not less than £2m.

He describes current trading conditions as excellent. "Purchasers are able to find the necessary mortgage quite easily, and building cost increases are being offset by increases in selling prices."

The forward sales position is now "stronger than ever before," representing turnover exceeding £6m., backed up by continuity provided by a land bank consisting of control of 15,000 plots. This, says Mr. Barnes, is sufficient for the next 3½ years allowing for anticipated expansion.

In the year ended March 31, 1971, profits expanded by 51 per cent. to a record £1,538,267 on a turnover of £7.26m. (£4.38m.)—a substantial profit increase had been foreshadowed. As reported July 2 the dividend is stepped up from 65 per cent. to 100 per cent.; a one-for-one scrip issue is also proposed.

Meeting, Abercorn Rooms, E.C., September 7 at noon.

● comment

Northern Developments has suddenly become a favourite growth stock. Thus the shares are 140 per cent. higher this year at 243p, with 59p of this happening in the past six weeks (following the July results). Fortunately, ND is not letting the side down. What £2m. pre-tax means to the share price is a 1971-72 p/e of 10.1 which (if all goes well) has clear attractions—given the maximum tag and the prospect of annual compound profits growth of 47 per cent. over the three years 1969-72 starting from a base as high as £622,000 pre-tax.

I.C. Gas progress

In their report with the full accounts the directors of Imperial Continental Gas Association state that in Belgium, electricity sales again showed satisfactory improvement in 1970-71, while the increase in gas sales was more than double the low rate of increase in the previous year.

Sales effort is necessarily based primarily on promotional tariffs and this coupled with ever rising personnel costs means that there is constant pressure on margins.

Nevertheless, earnings of Antwerpse Gasmaatschappij and Electrogaz showed an increase while published profits were also taken up.

Taken overall, the Association's other activities in Belgium showed "steady progress." However, Magec incurred losses both in Belgium and France and decided to write down the investment in its French subsidiary by the equivalent of £391,000.

The Calor Gas group profit before tax for 1970-71 showed an improvement on the previous year of 31 per cent., resulting mainly from continuing growth in most sectors coupled with a re-direction of marketing effort in the gas division. Virtual completion of the reorganisation resulted in economies in expenses and established a stronger management structure to tackle future growth targets.

As reported July 31 profit, before tax, of I. C. Gas rose from £4.37m. to £4.97m. in the year ended March 31, 1971. The dividend is lifted from 13½ per cent. to 15 per cent.

Sir George Jessel intends to resign at the meeting—the honorary post of president is to be created and he will be invited to fill it. Meeting, Winchester House, E.C., September 10 at 11.30 a.m.

U.K. Property extra 3½%

Against a forecast of maintenance of at least 10½ per cent., United Kingdom Property is paying a final dividend of 13 per cent., raising the total from 16½ per cent. to 20 per cent. for the year ended June 30, 1971.

Following the half way rise from £47,653 to £53,069, the group pre-tax profit for the year is £108,477 compared with £96,066.

	1970-71 £	1969-70 £
Profit	108,477	96,066
Taxation	38,700	37,122
Net profit	69,777	58,944
Tax refund	3,540	—
Compensation	*5,000	—
Balance	118,131	102,687
Interim dividend	23,704	20,317
Final dividend	44,022	35,556
Forward	47,405	46,814

* To directors.

Group properties were professionally revalued at July 16, 1971 at £3,588,500, an increase of £877,381 above the book value at June 30.

It is proposed to increase the authorised Ordinary capital to £1m. Meeting, October 27.

Capitol Industries

The net taxed loss suffered by Capitol Industries Inc. for the year ended June 30, 1971 was $8,092,000, or $1.75 per share. This compares with a profit of $8,715,000, equal to $1.91 per share, for 1969-70.

This confirms the forecast announced on July 21. With that, EMI, which owns 70 per cent. of the Capitol equity, warned that available group profit would not cover maintenance of the 17½ per cent. dividend. EMI will announce its results on October 7.

Capitol incurred a trading loss of $14.98m. (profit $18.17m.) on sales of $143.05m. ($178.12m.).

NO BID TALKS SAYS MONO CONTAINERS

Following recent Press comments, the Board of Mono Containers says it wishes to make it clear that no talks are in progress which might lead to an offer being made for the issued capital of the company, nor is it aware that any such approach is likely.

RESULTS AND ACCOUNTS IN BRIEF

HINE PARKER (manufacturers of Invicta underwear and knitwear)—Results for year to January 31, 1971, reported July 24. Group fixed assets £390,080 (£331,627). Net current assets £362,475 (£406,681). Chairman says outlook promising. Sales and profits of knitwear factory are currently greater than last year and although underwear factory is continuing to meet increasing demand from its wholesale division it is not making sufficient contribution to group profit and steps are now being taken to remedy this situation. Meeting, Tynemouth, September 6, at 3 p.m.

OELLAMI KNITWEAR—Results for year to March 31, 1971, and directors' comments on prospects reported July 14. Group fixed assets £299,465 (£221,467). Current assets £702,668 (£533,104) and liabilities £341,189 (£227,902). Meeting, Winchester House, E.C., September 8, at noon.

BOARDMAN MARDEN (ladies' and gentlemen's clothes)—Results, year to March 31, 1971, and current year prospects reported July 16. Group turnover £14.14m. (£14.38m.). Fixed assets £1.03m. (£1.05m.). Net current assets £1.83m. (£1.75m.). Meeting, Manchester, September 9, noon.

JACKSONS BOURNE END (Manufacturers of fibre-board, converters of board, etc.). Final dividend 3 per cent. (9 per cent.) making 3 per cent. (15 per cent.) for year ended March, 1971. Loss £11,995 (profit £46,546) after tax credit £9,814 (charge £14,060). Special profits and losses credit £12,975 (nil) being surplus on sale of property less terminal expenses on reorganisation and other items. As forewarned in interim report, business in second half suffered from difficult trading conditions in which lack of demand from main industries served by company coincided with sharp escalation of manufacturing costs. Company adjusted its manufacturing capacity and with some improvement in orders it has traded at a profit in current year to date.

P. C. CAHILL AND CO. (wholesale and manufacturing chemists)—Final dividend 15 per cent. on increased capital making 21 per cent. for year to April 30, 1971 (same). Profit before tax £160,314 (£135,401). Net profit £68,302 (£68,332).

SIMITS (distributors of specialised building and plumbing materials)—Results for year ended March 31, 1971, reported July 17. Group fixed assets £8,945 (£8,502). Investment in overseas subsidiary £31,242 (same). Current assets £153,694 (£93,226) and liabilities £111,083 (£65,873). Meeting, 71, St. Mary Axe, E.C., September 23, 11.30 a.m.

ISSUE NEWS AND COMMENT

Introduction for Unitech

Hill Samuel and Co. has arranged the introduction of the 2.69m. Ordinary 10p shares of Unitech. Dealings are expected to start next Tuesday and brokers are Buckmaster and Moore who have also arranged a private placing of 300,000 8 per cent. Series A Convertible Redeemable Cumulative Preference £1 shares at 115p each.

Founded in 1962, the group has provided venture capital and assistance for small companies in technologically based industries, primarily through the formation or acquisition of companies in the field of electronics. Companies are classified as new ventures until they have reached an established trading position and the industrial controls and computer peripherals subsidiaries come into this category now, with electronic component distribution, electronic test equipment and plastic moulding having an established status.

In the early years the group made losses because the majority of its subsidiaries had only just started up. As the original companies became established profits began to shoot ahead, rising from £23,000 before tax and minorities in 1967-68 to £230,000 in 1970-71. Assuming a normal tax charge and full conversion of the Preference capital earnings per share have risen from 1.93p in 1968-69 to 4.41p in 1970-71 (or 4.23p adjusting for the current issue of Preference shares).

Following the introduction it is intended to approach the Board of Pantiya Electronics, a quoted company involved in the marketing of electronic equipment, with a view to negotiating an agreed offer for the 61.33 per cent. of Pantiya's capital not already owned by Unitech. Pantiya earned pre-tax profits of £201,000 in 1970.

Unitech believes it is too early to forecast results for 1971-72 but it intends to recommend a dividend of not less than 10 per cent. for this period.

● comment

Venture capital is not completely new to the City though it has tended to become more fashionable recently. In Unitech's case the risk element should not be exaggerated as about 85 per cent. of total sales and nearly 70 per cent. of trading assets are contributed by established companies, in particular electronic component distribution. This division is operating in a growth market and should continue to develop with the possible addition of Pantiya's complementary activities. Of the 11 ventures started up, five have become established and profitable, two have been sold-off at a profit while still in the development stage, and four are still unproven new ventures. As a result, profits have jumped ahead over the last couple of years. Drawing a line through the placing price of the Preference indicates an opening price of 64p for the Ordinary and a fully diluted p/e of 15.1 on adjusted earnings of 4.23p. But given the glamour image attached to Unitech's activities this price could well be left behind when dealings start, given the narrow market.

Particulars Pages 18 and 19
See Men and Matters Page 12

LOCAL LOANS

Arrangements have been completed for the placing of bonds for the following local authorities: Bucks Water Board (£½m.), Thurrock Urban District Council (£½m.), Borough of Huntingdon and Godmanchester (£½m.), Rural District Council of North Cotswold (£½m.), County Borough of Huddersfield (£½m.), Norfolk County Council (£½m.), Basildon Urban District Council (£½m.), Aireborough Urban District Council (£½m.), Bingley Urban District Council (£½m.), Bletchley Urban District Council (£½m.), City and County of Lichfield (£½m.), and Watford Rural District Council (£½m.) are all issuing 6¾ per cent. Bonds, due August 23, 1972, at par.

Doncaster Rural District Council is issuing £½m. 6¾ per cent. bonds, due February 21, 1973, at par.

Crosby Corporation (£½m.), County Borough of Warrington (£½m.), City of Leeds (£1m.), Essex River Authority (£½m.), Caerphilly Urban District Council (£½m.) are all issuing 7 per cent. bonds, due August 22, 1973, at £99¾ per cent.

Thorne Rural District Council (£½m.) and Salop C.C. (£½m.) are both issuing 7¼ per cent. bonds, due August 21, 1974, at par.

The Bucks Water, Crosby and Thurrock bonds were placed by brokers Phillips and Drew with Morgan Grenfell and Co. while the Doncaster and North Cotswold issues were handled by J. and A. Scrimgeour in association with Packshaw and Associates. Scrimgeour were also brokers to the Huntingdon loan with Long, Till and Colvin who acted in association with Clive Discount Company for the Huddersfield, Warrington and Leeds bonds, and with W. Greenwell and Co. for the Norfolk issue. Gerrard and National Discount Company arranged the Basildon issue while Cater Ryder placed the Thorne bonds.

The Salop issue was arranged by Union Discount and the brokers to the Caerphilly bonds were Short Loan and Mortgage Company. Aireborough and Essex River made arrangements with S. C. Warburg and Co. for the placing of the bonds on the introduction of Long, Till and Colvin, and Bingley, Bletchley, Lichfield and Watford on the introduction of Roberts Union Co.

NICARAGUA LOAN

Arrangements have been completed for a medium credit of $10m. for Banco Nacional de Nicaragua. The loan, which is guaranteed by the Republic of Nicaragua, was arranged by Kuhn Loeb and Co. and Bankers Trust Company.

EDEN FISHER

Eden Fisher Holdings announces that conversion rights have been exercised in respect of £367,255 out of the £550,000 8 per cent. Convertible Unsecured Loan stock, 1988-93, which was issued in 1968.

OTHER ISSUE NEWS
Southerns-Evans, this page.

British Relay

A SHARP contraction in profit is reported by British Relay Wireless and Television. The directors have decided not to pay a final dividend for the year to May 1, 1971, but a one-for-25 scrip issue is proposed. The maintained interim of 3 per cent. compares with a total of 9 per cent. for the previous year.

Group profit is £804,270, compared with £1,068,280, after an increased SET charge of £404,996 (£372,641). As before there is no tax provision. Turnover expanded from £15.29m. to £16.67m.

Last September the chairman, Lord Renwick, stated that assuming no increase in SET profit should increase.

The directors now explain that exceptional circumstances and transitional problems, coupled with abnormal cost inflation, are mainly responsible for the reduction in attributable profit, which does not reflect the two and a-half times, increase in the number of colour subscribers and the increase in the cash flow.

Since the abolition of controls there has been a "dramatic" upsurge in demand for colour receivers—fivefold in the case of relay sets, threefold in standard receivers for rental. These are the conditions for achieving the rate of growth of subscribers needed to realise the potential of the company's relay systems, they add.

They consider the dominant consideration must be to take maximum advantage of the opportunity now afforded. The cash generated in trading should accordingly be conserved and concentrated in exploiting the growth possibilities immediately ahead.

Because of the careful consideration the Board has felt it necessary to give to the new situation, the finalisation of the annual report has been delayed and the annual meeting will be held some three weeks later than usual, on October 15, at Winchester House, E.C.

	1970-71 £	1969-70 £
Turnover	16,667,727	15,291,151
Trading profit	5,431,531	5,155,300
Depreciation	3,915,263	3,456,451
Balance	1,516,268	1,698,849
Interest	307,002	257,928
SET	404,996	372,641
Profit*	804,270	1,068,280
Preference dividend	32,500	32,500
Ordinary	286,291	858,872
Retentions	485,479	176,906

* No tax charge (same).

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MINING NEWS

Queensland Mines still re-thinking Nabarlek

BY LESLIE PARKER, MINING EDITOR

THE SAGA of pricking tba Nabarlek uranium bubble went on yesterday when Queensland Mines issued to the Sydney Stock Exchange details of its revised estimate of the ore tennages at this Northern Territory find which originally caused sucb a stir among both world producers and consumers of this nuclear fuel material.

As delailed last Saturday and discussed in Monday's Mining Notebook, the uranium oxide content of the Nabarlek discovery has been down-graded from the initially estimated 55,000 tona to just under 9,600 tons, a move that has led lo the suspension of dealings in Sydney in the sharea of the company and in those of Kathleen Investments which owns 50 per cent. of them and which has also prompted the resignation from the Queenaland Board of Mr. T. A. Rodgers, the Noranda nominee.

This Canadian mining house, which has its own uranium find in tbe Northern Territory at Jim Jim, bought a 5 per cent. stake last March in both Queensland and Kathleen from the Minsec liquidalor for $11m. Canadian (£4.5m.), a purcbase which it is presumably already regretting.

Ore split-up

Queensland's geologists now splil the Nabarlek ore prospects up aa follows, proved ore of 398,500 tons of 18 lba a sbort ton representing 3,144 tona ef uranium oxide; indicated ore of 36,400 tons averaging a very rich 240 lbs giving 4,388 tons of oxide; and inferred ore of 11,600 tons of 240 lbs representlng 1,400 tons, making a total of 8,932 tons of uranium oxide. Details were also given of how the estimates were arrived al.

In London dealings in Queensland and Kathleen bave been barred since February because of the Australian Government ruling that not mora than 15 per cent. of a domestic uranium company's capital may be beld overseas. Queenaland Mines still, ef ceurse, has quite a substantial uranium potential. Apart from Nabarlek, there are "proved" reserves at Westmoreland in the state of Queensland estimated at approximately 14,000 tons of uranium oxide.

The Inquiry into share dealings in Queensland and Kathleen has already begun under a section of the Securities Industry Act which gives power for the prosecution of "insider" share traders.

Botswana cost up

A further statement from Botswana RST and Bamangwato Concessions reveals that the capital cost of the Selehi-Pikwe copper-nickel project in Botswana will be higher than the R86.5m. (£50m.) estimated as recently as July 19.

The companies aay that they are studying modifications to the mining plan and surface facilities which may mitigale the effects of escalation. Until these studies are completed it is not possible to estimate accurately the extent of additional finance that will be required.

Revised proposals to enable the project to be brought to completion are being considered. All lenders as well as other intarested parties will have to be consulted. Il is expected to make a further statement towards the end of next month.

Aa announced earlier this month, Germany'a Metallgesellschaft notified the group that it is not at present prepared to concluda tbe proposed agreement wbereby for a period of 15 years it would take two-thirds of the nickel production and all the copper output and would further guarantee 40 per cent. of the World Bank loan to the Botswana Government up to a maximum of $US12m. Botswana RST fell 10p yesterday to 230p.

KLOOF'S FIRE LOSS MOUNTS

The underground fire at the Consolidated Gold Fields group's Kloof gold mine which broke put en June 20 is still burning. Current production remains at about two-thirds of normal daily output or around 112,000 tons a month compared with a 163,600 tons average in the March quarter.

It is stated that the profit loss is now in excess of R0.5m. a month following expiration of tbe loss of profit insurance after the fire had been burning for one month. Working profit in tbe pre-fire March quarter was R3.06m. Kloof fell 14p to 264p yesterday in line with the general trend in Gold sbares.

GOLD OUTPUT

South African gold output last mooth was 2,675,222 ounces compared with 2,624,200 ounces in June and with 2,729,619 ounces in July, 1970. It makes a 7-month total of 18,397,773 ounces against 18,656,839 ounces at this time last year. The 1970 total was a record 32.15m. ounces.

MINING BRIEFS

NEW GUINEA GOLDFIELDS—July: Golden Ridges milled 8,482 tons ore assaying 0.1431 oz. Fine gold produced 1,134 oz. Fine silver produced 932 oz. Alluvial workings bullion produced 56 oz. Tributes produced 42 oz bullion. Wau sawmill timber produced super feet 273,348. Vanimo log production super feet 684,669, sawmill timber produced super feet 79,909.

Aberdare unlikely to achieve target

THE INSIGNIFICANT loss expected by Aberdare Holdings for its "fifth quarter" turns out to be £85,000. This makes a deficit of nearly £2.43m. for the 15 months to January 31, 1971, compared with £2.34m. in the previous year.

The loss included interest cbarges £578,000 (£561,000) and reorganisation costs £536,000 (nil). The latter takes account of redundancy payments and estimates of the cost of factory closures, relocating productien in a lesser number of plants and other similar expenses.

After tax of £59,000 (£313,000 credit) and minorities loss £8,000 (profit £15,000), net loss attributable came to £2.49m. (£2.02m.).

For the current year it is unlikely tbat the original profit target ef £700,000 (publisbed in February) will be achieved unless there is an uplift in demand in the very near fulure, says the chairman, Mr. D. G. Themas. The rate ef incoming orders has fallen below budget, but steps have been taken to counteract this.

The sale of Aberdare Cables is expecled te have an adverse effect on pre-tax profits in the immediate future, although not in the longer term. However, the effect en net profit will be marginal once the remaining divisions are no longer incurring losses against wbicb the profits of Cables can be set for tax purposes.

The sale of Cables and of certain freehold property for £2.75m. to Pirelli General Cable Works has now been completed. For the period te January 31, 1971, Cables made a profit of £401,067 (£325,327 previous year) before tax and subvention payments or group relief.

Explaining the sale, Mr. Thomas says to keep pace with changes in technology and production techniques it would have been necessary to invest substantial sums in new plant over the next few years; and with the current acuta shortage of liquidity the directors could not foresee funds being available in the amount required.

Of the consideration, it has been agreed that, in return for Cables being released from its secured guarantee of the debenture stocks, £1.2m. will be lodged with Commercial Union Assurance (the trustees) pending a decision on its use.

At July 10, Aberdare had outstanding £5.3m. loan capital, and group net indebtedness to bankers of £3.98m. and other secured loans of £271,229.

Aberdare is obliged to provide the funds necessary to reduce the amounts owing to certain creditors of Cables and to provide such funds aa would result in the net current assets of Cables at July 31, 1971, of £870,000. This is expected to Involve payment ef £250,000, wbicb will effectively be financed out of the proceeds of sale of Cables.

The group's liquidity positien will be considerably eased with the sale of Cables, and bankers bave indicated their continuing support.

Meeting, Connaught Rooms, W.C., September 16, at noon.

London Sumatra

Given fair prices for rubber and palm oil Mr. F. W. Harper cbairman of London Sumatra Plantations hopes to submit a favourable report for 1971.

The immediate problems that faced the company en its return to the estates (in Indonesia) and the first strides towards rehabilitation are over. The cbairman feels that LSP is working from a firm base, but there is a large development programme ahead if the arrears of planting large areas of low-yielding rubber are to ba overtaken.

Nevertheless, be looks forward te the long-term future with confidence.

In 1970 operations suffered from low rubber prices, the effect of which was only partially offset by improved palm oil prices. Nevertheless U.K. income from Indonesian trading held up reasonably well and was only £21,289 lower than 1969. Profit from the rubber estate in Malaysia was substantially lower, but income from investments showed "a welcome increase." Against that background Mr. Harper feels it is not unsatisfactory that the group profit after tax, reached £246,096 (£273,257), enabling a maintained dividend of 14 per cent. to be proposed (as reported July 27).

On the estate in Johore (Malaysia) a further 141 acres of rubber were replaoted with oil palms and a start has been mada on another 136 acres during the current year. It ia expected that harvesting of oil palm fruit bunches will begin shortly and arraogements bave been made for their processing at a nearby mill.

Meeting, 14-20, St. Mary Axe, E.C., September 16, at 11 a.m.

Chairman's Statement Page 16

General Steam revaluation surplus £5m.

A revaluation of the beadquarters of General Steam Navigation at Three Quays, Londen, E.C.3, bas thrown up a surplus over book value of almost £5m. Chartered surveyors Richard Ellis and Sons valued the freehold at £5.6m. as of June 24, compared with a boek value at September 30, 1970, of £695,309.

The GSN chairman, Mr. D. L. J. Mertelman, has already infermed shareholders ef the intention to meve group headquarters te Southampton during 1972, and to let out the property at Three Quays.

Harland & Wolff

At December 31, 1970, shipbuilders and engineers Harland and Wolff had an adverse profit and loss account of £9.36m. against a total Preference and Ordinary capital of £6.99m.

Fixed assets stood at £13.48m. and current assets were £12.81m. Loans from the Shipbuilding Industry Board were £8m. and Government of Northern Ireland £3.5m., while current liabilities and provisions aggregated £17.37m.

As reported on July 7, there was a loss of £182,000 in 1970 (£8.33m.). A former executive director has been paid an ex gratia £15,000. Preference dividend arrears amounted to £526,000 gross.

The preliminary figures were contained in the statement giving details of financial support from tbe Northern Ireland Government. It will subscribe for 4m. Ordinary £1 shares at par, and later provide a furtber grant.

Meeting, Belfast, September 9 at noon.

BIDS AND DEALS

Booker's £4½m. for Sheppey

BOOKER McCONNELL, the sugar producing, retailing and engineering group, is to make an agreed £4½m. offer for Sbeppey Trusl, a private concern whose main assets consist ef Williams Brothers' Direct Supply Slores, Williams Brothers (Butchers) and Merit Supermarkets. The deal, foreshadowed in June wben talks were announced, is expected to be completed early in September.

Sheppey will add 130 retail outlets to Booker's present chain of some 160 stores, which trade under the Budgen, Kingsway and C & Q names. Combined annual turnover of the enlarged group will be over £25m., with Sbeppey accounting for about £13m.

Booker will meet the £4½m. consideration by the issue of 1.53m. Ordinary shares and £1.75m. of 9 per cent. Convertible Loan Slock 1981, having agreed cash values of £3m. and £1.5m. respectively. The loan stock will be convertible in the five years 1974-1978 at 109p per cent.

Booker said that because of changes in Sheppey's assets prior to completion of the daal, and because of different accounting dates of its subsidiaries, it was not possible to relate past profits to assets being acquired. However, the directors believed that benefits would flow from integration.

Assets being acquired comprise £2.4m. of property at current valuation, net tangible assets employed in the retail section, excluding property, of £850,000 and £1.25m. of liquid assets.

Until recently, Sheppey also controlled Kinloch (Provision Merchants). Kinloch was excluded from the Booker deal and under a separate acreement the Kinloch Pension Fund acquired the Sheppey holding of Preference shares in Kinloch which, with some Ordinary already held, account for over 47 per cent. of the Kinloch voting power. Sheppey has also disposed of its holding of Ordinary ahares in Kinloch.

See Lex

BID FOR MARAWAN

Myers and Co. has been authorised hy Cluff and Co. to make an offer on its behalf for all the capital of Marawan (Java) Rubber Plantations not owned by Cluff, whicb already bas 3.66 per cent. of tha Preference. The cash offer was accepted in respect of 30,396 sharea and has closed. The Loan stock offer remains open.

Terms are 11p in casb for each share of 10p, which values the company at £60,000. Directors of Marawan propose to recommend acceptance and Intend to accept in respect of their own sbares.

RANK-CITY WALL

The formal offer document relating to the agreed £11.7m. bid by Rank Organisation for City Wall Properties bas now been sent out hy Kleinwort Benson. CWP chairman, Mr. H. M. Oppenheim, tells holders that the year 1971 should show a pre-tax profit of around £700,000, against £407,000 for 1970.

Already the directors of CWP and their familles and two Institutions have accepted the Rank all-share offer In respect of 61 per cent. of the issued capital.

BRENTNALL BEARD

The Board of Brentnall Beard (Holdings) has upgraded its profit forecast for the year to end September from £130,000, before tax, to not less than £150,000 (£113,000 in the previous year). The forecast is contained in a document giving full details of the previously announced acquisition ef the Pitman and Deane companies from tbe liquidator of Midland Northern and Scottish Insurance, and of the acquisition of Haines and Partners.

The BB chairman, Mr. F. B. Beard, also tells holders that the London Stock Exchange has granted the company a share quote. Previously the shares were quoted on the Northern Slock Exchange.

INGALL PARSONS

Ingall Parsons Clive and Co. bas acquired for cash the funeral directing and manufacturing business carried on by W. English and Sons and its subsidiary, London Funeral Supplies.

YORKSHIRE BRICK

Drakes' bid for the capital of Yorkshire Brick not already held has been declared unconditional. Acceptances have been received in respect of 178,881 Ordinary and 205,875 Preference shares.

Drakes now controls 95.9 per cent. of the Ordinary and 68.2 per cent. of the Preference.

Truman-Watney formal offer

The Watney Mann formal offer relating to its newest bid for Truman Hanbury Buxton has now been sent to shareholders. On the calculations of Watney and its advisers the offer of 15 Watney shares plus £11 of 11½ per cent. Convertible Loan stock, plus £8 in Preference carrying warrants to subscribe for IDV shares, is worth 478p a share. The alternative offer of 11 IDV instead of the Preference is calculated at just over 471p. These prices are arrived at taking Watney's shares at 125p and IDV at 75p.

However Watney shares slipped 3p yesterday to 122p and IDV closed 2p down at 70p. The Stock Market took the view that the offer was worth nearer 460p, and Truman shares closed 7p up at 459p. Grand Metropolitan shares also slipped back by 3p to 184p. This drops the value of its offer a little below 440p, but it will have to increase its offer to the final average price of its market purchases since its last formal offer was made.

It now looks as though Watney will not get the support of the whole of the Buxton family shareholding, in spite of the fact that its offer has the support of the two Buxton's on the Truman Board. It is believed that Sir Thomas Buxton, who is no longer on the Board, supports the Grand Met. offer, and may influence some other family members.

In spite of this, Guinness Mahon, financial advisers to Watney, reckon that including Watney's own 30 per cent. holding, it now has the support of something like 37 per cent. of the shares.

E. & H. SMITH SALES

Further disposals under its reorganisation and rationalisation programme are announced by E. and H. P. Smith. It has sold the capital of Dyggor-Gaylord (civil engineering, contracting and plant hire), the business and assets of H. Massil and Sons (Wood Turners), and its 50 per cent. interest in the capital of Knitmester Holdings (knitting machine distributors) and Knitmaster Patents.

Consideration for Dyggor-Gaylord is £192,000—£122,000 in cash by way of dividend and the balance deferred subject to adjustment in the light of the outcome of certain contracts and disposals of assets—Smith has been and will be released from certain material guarantees. Net tangible assets at December 31, 1970 were £556,000 and trading results for the 12 months ended March 31, 1970 were a loss of £37,000 and for the nine months ended December 31, 1970 a profit. There was, however, a "very severe" trading downturn from January 1, 1971 enwards.

The Massil sale was to Seccasan for £147,500—£110,000 cash and the balance by 15 six monthly instalments, the first falling due December 31, 1971. Net tangible assets at December 31, 1970 were £185,000 and trading results for the 12 months ended March 31, 1970 a profit of £3,000 and for the nine months ended December 31, 1970 a profit of £13,000.

Consideration for Knitmaster was £20,000 cash, repayment of loans totalling £44,000, and the release of Smith from certain guarantees. Net tangible assets at December 31, 1970 were £47,000 and trading results for the 12 months ended March 31, 1970, a loss of £16,000 and for the nine months ended December 31, 1970 a loss of £13,000. The shares were sold to Groom Holdings (Proprietary), which is wholly owned by S. H. Groom, R. M. Groom and C. Groom and their families, directors of the Knitmaster companies since 1965, as representatives of Empisal (South Africa) which they controlled and which held the other 50 per cent. of the shares.

ASSOCIATES DEALS

Paul E. Schweder Miller on August 16 bought on behalf of Cavenham Foods 75,000 Bovril at 474p.

Walker Crips Weddle Beck bought 2,500 Montfort (Knitting) at 62p for associates of Reliance Hosiery.

Fenn and Crosthwaite bought 10,000 Bovril at 474p on behalf of an associate.

Cazenove bought 6,600 Truman non-assented at 452p for an associate of Watney.

Roger Mortimer sold 5,000 Bovril at 472½p for an associate of Cavenham Foods and bought 5,000 Cavenham at 99p on behalf of associates of Cavenham.

Panmure Gordon purchased for associates of Grand Metropolitan 5,000 Truman Hanbury at an average of 452p.

S. G. Warburg purchased for associates of Grand Metropolitan 2,730 Truman Hanbury at an average of 452p.

SW-IRISH INVESTMENT

Slater Walker has acquired control of the Irish Investment Company from clients of Ansbacher and Co., Dublin, and will make a bid of 65½p—the price its paid for its controlling interest—for the outstanding shares. This values IIC at £4.7m.

NO PROBE

On present information it is not the inteotion to refer to the Monopolies Commission the proposed merger between Land Securities Investment Trust and Westminster Trust Holdings.

CRODA-FLEMING

Holders of 6,453,606 Ordinary shares of A. B. Fleming (Holdings) (80.6 per cent.) have accepted the offer on behalf of Croda International. Holders of 995,428 shares accepted the Loan stock alternative. The offer now becomes unconditional. The share offer remains open, but the Loan stock alternative has closed.

Philips Lamp's profit reduction

NET PROFIT of Philips' Lamp shows a reduction from Fls.125m. to Fls.41m. in the second quarter of 1971, leaving the balance for the first six months down by Fls.146m. at Fls.107m.

On a per share basis, net earnings in the second three months have fallen from Fls.0.95 to Fls.0.27 and for the six months from Fls.1.93 to Fls.0.75.

Net profit per Fls.10 share, adjusted on the basis of accounting principles generally accepted in the U.S., is estimated at Fls.1.43 ($0.40) for the first half of 1971 and at Fls.2.47 ($0.68) for the first six months of 1970. Assuming conversion of all outstanding convertible debentures, the adjusted net profit per Ordinary for the first half would be lower by 3 per cent. For the same period of 1970 this was lower by 6 per cent.

Sales in the second quarter totalled Fls.3,815m. compared with Fls.3,527m., bringing the half-year figure up to Fls.7,458m. (Fls.6,824m). Trading profit was Fls.213m. (Fls.349m.) making Fls.479m. (Fls.761m.), or as a percentage of sales 5.6 (9.9) making 6.4 (10.3).

In their April report the directors said their aim for 1971 was to halt the unfavourable profit trend; and to achieve this they believed they must aim at more moderate growth than in 1970.

Not only would the sales increase be lower than last year, they said, but growth rate of investments and expansion of production would also be restrained.

Although they felt that the first half results would "undoubtedly" still be greatly affected by these circumstances, they were confident that an improvement could subsequently be achieved in the course of the year.

	First-half 1971	1970
	Fl.m	Fl.m
Sales	7,458	6,824
Trading profit	479	761
Other income and charges	*271	*156
Taxation	104	355
Profit after tax	104	250
Non-consolidated cos and minorities	3	*7
Net profit	107	253
Liquid assets	769	561

* Debit.

The report combines the consolidated data of Philips Gloeilampenfabrieken and those of the U.S. Philips Trust. The majority participation NKF Groep N.V. (Netherlands) and Electric Industries (Australia) have not yet been included in the consolidation.

Net profit per Ordinary share in 1971 has been calculated on the basis of 121,368,600 shares, being the number issued at June 30 1971, excluding those issued to meet the option before November 30, 1971, for a distribution of shares (chargeable to share premium account, free from Netherlands tax) instead of receiving a final dividend for 1970 in cash. The figure for 1970 has been calculated on the basis of 121,360,782 Ordinary shares at December 31, 1970.

The option in respect of the final for 1970 may have the effect of reducing net profit per Ordinary for the first six months of 1071 by at most 2.6 per cent.

See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below is based mainly on last year's time-table.—

TODAY

Interims—Anchor Chemical, Boddington Breweries, FC Finance, Ibstock Johnsen, International Inv. Trust, Lamson, Tom Martin Metals, Olives Paper Mill, Parway Land, Reardon Smith.

Finals—Abercorn Investments, Associated Food, Cussons, Dixons Photographic, Alfred Dunhill, Heywood Williams, Norwest Holst, Olympia, Pifco Holdings, Richard Bros.

FUTURE DATES

Interims—

Albright and Wilson	Sept. 2
Bowyers (Wiltshire)	Sept. 13
British Ropes	Sept. 22
Clydesdale Commonwealth Hotels	Aug. 20
Dixor	Aug. 19
Leslie and Godwin	Sept. 29
Sun Alliance	Sept. 1
Tube Investments	Sept. 8
Vectis Stone	Aug. 27
Wadham Stringer	Sept. 21

Finals—

Amalgamated Roadstone	Aug. 15
Buglas (Robert M.)	Aug. 19
Geller (A. and J.)	Aug. 26
Hoffnung (S.)	Aug. 19
Kingsley and Keith	Aug. 23
Kunick (Philip)	Aug. 15

Leadenhall Sterling

Against the January forecast of profits (before tax and before non-trading expenses) around the 1969-70 level of £135,388, Leadenhall Sterling has turned in £103,055 for the year ended March 31, 1971. Turnover totalled £2,631,000 (£2,348,000).

After tax £30,446 (£45,195) and exceptional debits £135,521 (credit £6,370), there is a loss of £74,912 (profit £100,172). The exceptional debit is a net figure and include expenses and provisions of £130,249 relating to the reorganisation of the Spembly companies and £7,500 compensation to a former director for loss of office.

The dividend is unchanged at 15 per cent., as promised, the final being 10 per cent.

Chairman Mr. I. T. Henderson says that the new management team has effected drastic pruning and despite the cost, the reorganisation of the Spembly group on to a profitable basis provides benefits for the immediate future.

He hopes that the Chancellor's recent measures will improve general trading conditions which will benefit all group companies.

Meeting, Winchester House, E.C., October 7 at noon.

Benn Bros. setback: holds 13½%

FROM SHARPLY reduced profits Benn Brothers, publishers of trade journals, directories, etc. is maintaining its dividend at 13½ per cent for the year to June 30, 1971, with a final of 10 per cent.

The pre-tax figure was £200,425, against £332,769, after a first half increase from £129,100 to £130,000. The year's tax charge, including adjustments for the previous year, is substantially lower at £67,433 (£139,318).

The reduction in profits resulted from bank interest charges following the purchase of additional journals, increased rents arising from the move to Colliers Wood, and almost no profit from publishing in February and March due to the post strike, the directors state.

Careful forecasting suggests that in the current year the group should be back on a steady growth pattern, and resumption of properly conservative cover for dividends is anticipated, they add.

RECENT ISSUES

EQUITIES

Issue Price p***	Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price p***	+ or −	Div. £ or Amount	Times Covered	Gross Yield	P/E Ratio
75	F.P.	3/9	82	76	Allied Polymer	77	−½	b18	1.3	5.8	13.3
◆	F.P.	—	171	150	Berwick Timpo (£1)	171	.....	b6	2.6	3.5	10.8
●	F.P.	11/8	165	132	British & Can. Inv.	151	+5	9	—	1.6	—
—	F.P.	—	49	40	Cap. & Counties W'rr'ts	47½	.....	—	—	—	—
38	F.P.	21/7	45½	40	Coley Rotolin Grp.	40	.....	b10	1.7	6.2	3.3
◆	F.P.	30/7	59	50	Commodore Secs.	38	.....	b12½	2.2	8.2	21.5
◆	F.P.	—	61	55	Crest	56	.....	b15	1.8	6.7	8.1
80	F.P.	11/8	98	90½	Evans of Leeds	98	+3	b15	1.4	3.8	18.8
44	F.P.	27/8	66	52	Formlnster 10p	55½	.....	b37½	1.4	5.8	10.6
100	F.P.	5/8	103½	97	Glenderon Inv.	102	.....	£12	—	3.0	—
100	F.P.	5/8	115½	100½	Do. Do. "B"	112	.....	—	—	—	—
90	F.P.	3/9	124	112	Kettering M'tr'sers 10p	121	−2	b48	1.6	3.3	18.8
53	F.P.	27/8	63	56	Lawdon (10p)	63	.....	b35	1.9	5.6	10.1
40	F.P.	4/9	45½	35	Lincroft Kilgour (10p)	37	−1	b27	1.9	7.3	7.0
◆	F.P.	11/8	255	240	Mathews Wright'n 20p	243	−1	b40	1.9	3.3	16.3
—	F.P.	16/9	72	65	Mucklow (A. & J.) Dfd.	72	+2	—	—	—	—
68	F.P.	26/8	85	72	NSS Newsagents (10p)	82	+1	b22½	2.2	2.7	16.4
—	F.P.	—	86	70	Schlesinger (R1)	78	.....	b4.2	—	3.4	—
66	F.P.	3/8	68½	66	Thanet Inv. (50p)	68	+½	—	—	—	—
28	F.P.	3/9	34½	32½	Do. Warrants	34½	+1½	—	—	—	—
●17½	F.P.	8/9	18	16½	Wright-Scriven (12½p)	15¾	.....	b12	1.5	9.0	7.4

FIXED INTEREST STOCKS

Issue Price	Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price	+ or −
$100	F.P.	—	99	96½	Airlease 9% Gua. $ Bds. 1986	98½	.....
$100	F.P.	—	99½	99	Do. 8½% Ilum. $ Notes 1976	98½	.....
£100	F.P.	—	103	96	Armour Trust 10½% Part Conv. '91-6	103	.....
£100	£25	15/10	27¾	24½	Automotive Products 10.4% Deb. '98-2001	27	.....
£100	£35	29/10	35½	34½	Brady (G.) 11% Deb 1991-96	33	.....
£100	£50	31/12	50½	50	Bristol E. Tst. 10¾% M. Deb. '91-6	30	.....
‡	F.P.	17/9	105	96	Butterley 10% Part. Conv. 1976	105	+5
£100	F.P.	5/9	94½	93¼	Cap & Counties 9¾% Uns. '91-6	94½	.....
£100	F.P.	6/8	111	105¼	Castle Hlds. 9% Conv. '87-91	111	.....
£100	F.P.	—	89	85	Central & Sheer 10% Uns. 1981	89	.....
●100	F.P.	18/8	115	106	Chloride 7¼% Conv. 1986-91	115	+1¼
£100	F.P.	6/8	101½	99¼	City Acre 10.2% 1st Mort. '91-6	101⅛	.....

Issue Price	Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price	+ or −
£100	£25	14/1	28¼	27	Distillers 10½% Uns. Ln. '93-8	28¼	+½
:	—	—	115	115	Drakes 10½% Uns. Ln. 71/78	115	.....
£99	£25	1/10	27¼	25¾	Eastbourne Water 10½% Red. Deb. '95-7	27¼	+½
£99	£50	1/10	52½	50	Hargreaves 10½% Deb. '92-97	52½	+½
£100	£50	24/9	53½	51	Hepworth Cer. 10.4% Deb. '92-7	53½	+2¼
£100	F.P.	—	100⅝	100	Int. Bank 8% 1976	100⅝	+⅛
£97½	F.P.	30/11	102	98	I.C.F.C. 9% Uns. Ln. Stk. 1977	102	.....
£100	F.P.	—	99½	98¾	I.C.I. Int. Fin. 8% ST. DM. Bds. '78-86	98¾	.....
£27	£10	—	10¾	10¼	Ireland 9¾% Stock 1991-96	10½	.....
:	F.P.	20/8	113	108	Kleeman 7½% Conv. 1981	111	+1½
£103	F.P.	27/8	111	107½	Mid. Sth Water 10% Red. Pref. '77	108	.....
:	F.P.	15/9	102	92½	Newman Inds. 10½% Part Conv. '95-8	99	.....
£100	£10	17/12	10¼	8¼	North'pton Corp. 8% Red. Stk. '78-9	10¼	+¼
£100	F.P.	11/8	113	108	Plantation 11% Conv. Sub. '91-96	113	.....
£100	F.P.	15/10	117	114½	Racal Elect. 6% Conv. '95-2000	116½	+½
£100	F.P.	16/9	106	100	Ralli Int. 9% Uns. 1974	101	.....
£99	£25	7/10	25¾	24¼	Reeves (F.J.) 11% Deb. '96-2001	25¾	.....
††	F.P.	—	41	41	Rothschild Inv. 4½% Deb. Stk	41	.....
††	F.P.	—	47	47	Do. 5% Cum. Pref.	47	.....
††	F.P.	—	53	53	Do. 6% Cum. Pref.	53	.....
£100	F.P.	15/8	107	96	Ruberoid 10½% Prtly Conv. Uns. Ln. Stk. 90-95	107	.....
310e	F.P.	—	28½	27½	Sandvikens 9% $ Bonds 1986	27½	.....
£99	£50	31/1	50½	50	Sheepbridge 10½% Deb. '92-7	50	.....
£100	£25	8/10	32½	28¾	Throgmorton Tst. 8½% Conv. 88-93	32½	+2
£100	F.P.	6/8	107	101	Union Comm. 8½% Conv. 1996	106½	+½
£104	£10	15/9	18½	18½	Wrexham & E.D. 10% Red. Pref. 1977	18½	.....

"RIGHTS" OFFERS

Issue Price p***	Amount Paid Up	Latest Renunc. Date	Stock	Closing Price p***	+ or −
133	Nil	3/9	Atlas Stone	15pm	.....
●A$1.55	37p	3/7	Bougainville Mines	65	−3
140	F.P.	2/9	Bovis	198	−2
125	Nil	25/8	Gillspur Inv.	16½pm	+½
15⅞	—	—	Lon. & Assoc.	2pm	.....
78	Nil	26/8	Sheepbridge Eng.	13pm	−1
140	Nil	9/8	Tilbury Contracting	13pm	.....
95	F.P.	20/8	Wolsey-Hughes	136	−3
140	Nil	26/8	Youghal Carpets	5pm	+2

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital: cover based on dividend on full capital. k Figures based on prospectus or other official estimate for 1969-70. p*** Pence unless otherwise indicated. ** Issued by tender. ‡ Offered to holders of Ordinary shares as a "rights." ● Issued by way of rights. † Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ※ Provincial quotation. ♣ Introduction. ♠ Issued to former Preference holders. * Dealt in under Special Rule. $ Price at time of suspension.

Euro $ rates easing as Eurobond prices gain

BY WILLIAM LOW

INTERNATIONAL money and capital markets—the Euromarkets—were calmer yesterday after Monday's sharp reaction to President Nixon's measures. The closure of foreign exchange markets was an inhibiting factor.

Short-term Eurodollar interest rates turned easier and the key three-month deposit was quoted at betwen 8¾ to 9 per cent., against 9¼ to 9¾ per cent. on Monday.

Operators reported that the market remained very thin and an offer of a relatively small amount of dollars was sufficient to depress rates substantially. Funds came on offer during the day, but traders were not able to identify the source(s).

The Eurodollar bond market continued its recovery. Straight-debt loans recorded net gains of up to two percentage points, although little actual client interest was seen.

Convertible (equity-linked) bonds issued by U.S. corporations again advanced in line with Wall Street and gains ranged up to 5 percentage points. Investors displayed selective buying interest in issues such as Ford and Firestone.

The dramatic decline of the Tokyo Stock Exchange resulted in Eurobond traders marking down by as much as 10 percentage points prices of convertible bonds floated by Japanese companies. However, there was very little selling by investors.

European-based traders of dollar stocks were surprised at the strong buying interest shown by European clients, especially in view of the difficult foreign exchange position. One trader noted that Europeans were basically bullish about prospects for Wall Street.

IN BRIEF

Europe

● NEDERLANDSCHE MIDDENSTANDSBANK consolidated net profit rose to Fl.14m. in first half this year from Fl.9.2m. in same 1970 period on gross revenues increased Fl.31.8m. to 127.2m. The bank, explaining the sharp profit rise, pointed out that first half 1970 earnings were relatively low due to the extremely high interest level on the money market, which reduced the bank's margins. Total assets increased to Fl.7,000m. in first half from Fl.6,200m. at end 1970.

● SWISSAIR announces 2.5 per cent. increase in operating surplus for first half of 1971, compared with corresponding period of last year, to Sfr.70.6m. Airline said that despite Swiss-Franc revaluation, it reckons with result for whole of 1971 which will be up to budgeted total. Traffic over first six months was "very satisfactory." Extra-ordinary meeting of airline will be held on August 27, at which further operational figures will be given, as well as details of co-operation with Austrian Airlines.

● BANCO ATLANTICO, Spanish commercial bank, and Munich-based Bayerische Hypotheken und Wechselbank signed collaboration agreement for channeling and guidance of capital investment and opening of new markets. "Hypobank" will purchase 5 per cent. of Banco Atlantico, in which Continental Illinois Bank's Edge Act subsidiary also holds minority interest.

● DU PONT DE NEMOURS (BELGIUM), subsidiary of E. I. du Pont de Nemours, said 1970 net profit rose to B.Frs.89.8m. from B.Frs.37.2m. It earlier paid dividend of B.Frs.790, following no payment in 1969.

● STE. FINANCIERE ITALO-SUISSE proposes to increase its dividend for year ended June 30 last to S.Frs.16 from S.Frs.14. Net profit fell to S.Frs.7.2m. from S.Frs.8.4m. in preceding year. Annual meeting scheduled for October 29.

North America

● NATIONAL AIRLINES, the Florida-based carrier, earned $2.84m. in the fourth quarter, but had a net loss of $3.893m., or 46 cents a share, for the fiscal year ended June 30, 1971. The loss was National's first in ten years, and results were adversely affected by slow traffic recovery following a strike which halted operations for four months of the preceding fiscal year.

● OCCIDENTAL PETROLEUM reported record gross revenues in first six months of 1971 while, during same period, net income declined, as previously announced. Net sales and other revenues advanced 24 per cent. to $1,426m.. compared with $1,150m. in the same period last year. First-half 1971 net income amounted to $62.893m., down 19.7 per cent. from restated $78.358m. in 1970.

● TRUST CORPORATION OF BAHAMAS, custodian trustee for USIF Real Estate, said it mailed reorganisation plan for fund to shareholders. Under plan, Gramco Management Ltd. will resign as managing trustee of fund and Amprop Inc. will resign as property manager. They will be replaced by Arlen Realty and Development Corporation. In addition, USIF will be converted into closed-end fund.

● RAPID AMERICAN CORPORATION and Glen Alden Corporation chairman, Mr. Riklis, said he supports shareholders group seeking to replace current management of IOS, and promised to arrange new financing for IOS upon installation of new management.

Others

● SINGAPORE PETROLEUM COMPANY announced contracts for construction of 65,000-barrel-a-day refinery on island of Merlimau have been awarded to Japanese companies, C. Itoh and Japan Gasoline Company. SPC is joint venture company with three equal shareholders—Development Bank of Singapore, Oceanic Petroleum Corporation and Amoco International Oil Company, wholly-owned subsidiary of Standard Oil Company (Indiana). Site preparation on Merlimau will begin next month, and construction is expected to be completed in autumn of 1973.

● SOUTHERN OIL EXPLORATION CORPORATION (PTY.) (SOEKOR), said oil drilling by the company in the Port Elizabeth (Eastern Cape) region is likely to end within the next few weeks.

● NATOMAS COMPANY announced its consolidated earnings for the six months ended June 30 were $1.63m. or 43c per share, as compared to $1.26m., or 34c per share, for same period of 1970.

Takeover bid for Bastogi

By Peter Tumiati

ROME, August, 17.

A TAKEOVER BID for the shares held by the controlling voting syndicate of one of Italy's biggest and oldest financial groups, the Bastogi Company (its full name is Societa Italiana Strade Ferrate Maridionali, because it started as a railway company over 100 years ago), is reported to have been made by a group headed by one of Italy's leading financiers, Signor Michele Sindona. The voting syndicate and the Board of the company are to meet in Rome on Friday to consider Signor Sindona's offer.

Its details are not yet known. Italy's Bourses are closed for the summer holidays. In unofficial trading, Bastogi shares were being offered at about Lire 2,100. Their nominal value is Lire 1,000. Signor Sindona's offer has until now been a closely guarded secret.

The Bastogi Company has large shareholdings in some of Italy's biggest insurance, property, cement and chemical companies. On several occasions in the past its President, Signor Tullio Torchiani, has been accused by some of Bastogi's largest shareholders of pursuing an over-passive policy. A couple of years ago Senator Cesare Merzagora, chairman of Assicurazione Generale, in a letter to Signor Torchiani, circulated to other large Bastogi shareholders, said that Bastogi appeared "to be hatching marble eggs."

JAPANESE TO SEEK MINERALS IN CANADA

By Our Own Correspondent

TOKYO, August 17.

FOUR JAPANESE companies plan to establish a joint venture in British Columbia at the end of this month for prospecting for non-ferrous metals, a spokesman of Sumitomo Metal Mining Company announced here.

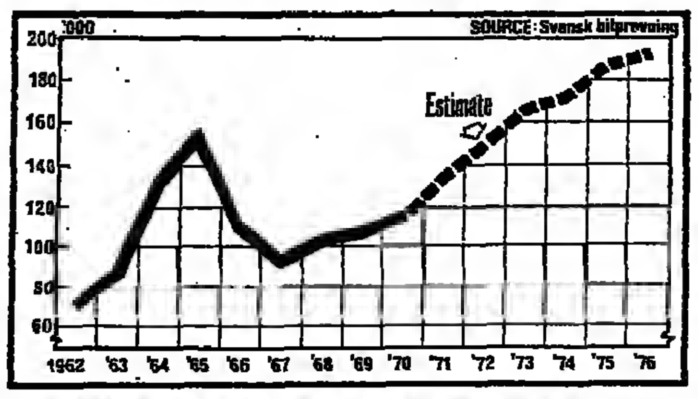
The three other Japanese concerns, all trading companies based in Osaka, are Marubeni-Iida, Ataka and Company, and C. Itoh and Company. Sumitomo's spokesman said the joint venture will be known as Sumac Mining Company. It will be based in Vancouver and capitalised in the beginning at about $C400,000.

Sumitomo is to put up 52 per cent. of the capital and the other three will put up 16 per cent. each. The venture will seek commercial supplies of copper, nickel, lead and zinc.

SWEDEN'S MOTOR INDUSTRY

Facing shrinking home sales

BY JOHN WALKER, STOCKHOLM CORRESPONDENT



The number of private cars deleted from Sweden's central vehicle register. Actual figures for 1962-70, 1971-76 figures calculated on the basis of the 1970 drop-out risk.

IT IS SAID that as a man advances into middle age, girls have the appearance of growing younger. As far as this correspondent is concerned, blond, long-limbed Scandinavian birds are growing very much younger these days. But, perhaps as a counter-balance in this land of contrasts, the midleaged car owner can take consolation from the fact that his motor-car is lasting longer, at least according to Svensk Bilprovning, the Swedish vehicle inspection organisation.

Bilprovning carried out a survey based on figures supplied by the Central Bureau of Statistics on the expected service life of privately-owned cars and the scrapping frequency. As can be seen in the diagram, Bilprovning has plotted the actual numbers of private cars deleted from the central register for the years 1962-1970, while the forecast for 1971-76 is extrapolated from the 1970 figures.

Quality

The average life of all makes surveyed was 11.8 years, that is 1.5 years longer than five years ago. Earlier, it was forecast that the scrapping rate in 1970 would amount to about 210,000 units, but this turned out to be an excessively high estimate, when in fact only 115,000 cars were written off. This massive drop is due to a number of factors, including the regular compulsory inspection which has led to better maintenance; new lower speed limits; better roads and improved vehicle construction. In addition, recent sharp price increases for all goods in Sweden is also exerting its influence, resulting in potential purchasers of new cars holding on to their current models much longer.

Analysing the figures, Bilprovning pointed out that the Swedish-made Volvo remains roadworthy for an average of 13.7 years, higher than any other make. This is closely followed by Volkswagen at 12.7 years, Mercedes-Benz 11.7 years, SAAB and Peugeot at 11.1 years and the old BMC range at 9.8 years. The diagram also shows the very high scrapping rate in 1964 and 1965 which, it is claimed, is attributable to the introduction of the compulsory annual car test.

Generally, the Swedish car market has shown signs of a downward trend in sales over the last two years or so. In 1970, new registrations of private cars amounted to 203,300 units, down 10 per cent. on the previous year.

For the first seven months of this year the pattern has been somewhat similar with a drop of about 15 per cent. to a total of 98,942 units, with a forecast for the whole of 1971 being well under the 200,000 mark. All this has meant that the two Swedish producers—which account for 43 per cent. of the home market—Volvo and Saab, are facing a contracting home market at a time when their production facilities are expanding.

Total production of motor-cars in Sweden last year amounted to 279,000 units, 38,000 more than the previous year. Of these, 93,000 were sold on the home market and the balance of 186,000 was exported, an increase of 39,000 cars over the previous year.

With their sales geared so heavily to the export markets, both Volvo and Saab have been strengthening their positions overseas. Included in Volvo's overseas activities, for instance, are a plant in Canada, a large assembly plant in Belgium, as well as assembly plants in Malayaia. Recently, the company announced that it has entered into an agreement with Renault and Peugeot whereby the three companies will set up research and manufacturing facilities at Lilla, in France, for the production of "clean" petrol engines mainly for the car industry. The engines are designed to confor[m] to anti-pollution legislation, an[d] a few days ago Volvo said th[at] it will be expanding its Australia[n] facilities in co-operation wi[th] Volkswagen.

Exports

Meanwhile, Saab's expo[rt] approach has been to set u[p] manufacturing facilities in Fi[n]land on a joint basis with Valme[t] Oy. But the major step was th[e] merger in late 1968 betwe[en] Saab and Scania-Vabis, the majo[r] truck manufacturers and Swedis[h] agents for Volkswagen cars. Th[e] benefit of the merger lies in th[e] overseas markets, where join[t] sales organisations are being se[t] up for Scania commercia[l] vehicles and Saab cars.

Although both the Swedish pro[-]ducers are maintaining thei[r] percentage of the Swedish market overall sales in Sweden are fallin[g] with the result that pressure wil[l] be exerted to increase expor[t] sales. President Nixon's impor[t] surcharge of 10 per cent. will hi[t] both the Swedish producers quit[e] hard as the U.S. is their majo[r] single market.

In addition, with recent publi[-]city showing that cars can be made to last longer, buyers are going to hold off as long as possible. As if to drive the point home even further, both Saab and Volvo have announced price increases for their 1972 models—on the Swedish market only—last week.

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

	Bid	Offer		Bid	Offer		Bid	Offer
Straight			Esso 8½pc 1975	100	101	Firestone 5pc 1988	102	103
Atlas Copco 8½pc 1988	100	101	Gatx Oswego 8½pc 1977	95½	96½	Ford 6pc 1986	110	112
ASEA 8½pc 1986	92	93	Hawker 9pc 1975	99	100	Fuji Photo Film 6½pc 1985	139	141
Beecham 8½pc 1988	90½	91½	Nippon Petr. 7½pc 1973	97½	98½	Honeywell 5pc 1983	103	104½
Borregaard 8½pc 1986	93	94	Oslo 9pc 1975	100	101	Kinney 5½pc 1990	108½	110
Conoco 8pc 1986	90	91	Transocean Gulf 8½pc 1975	99	100	Komatsu 8½pc 1984	90	92
Conoco 9½pc 1985	100	101	Source: White Weld Securities.			Michelin 6pc 1985	109	110½
Courtaulds 8½pc 1985	88	90	**Convertibles**			Murphy 5pc 1989	82½	84
Denmark 9pc 1982	98	100	Alusuisse 7pc 1981	101	102½	Owens Illinois 5pc 1977	101½	103
Esso 8pc 1986	92½	93½	American Can 4½pc 1988	79	79½	Pepsico 4½pc 1981	121½	123
Esso 9pc 1985	101	102	American Brands 5½pc 1988	122½	124	Rand Selection 6½pc 1986	102	103½
General Mills 8pc 1986	88	90	Amoco 5pc 1984	97	98	Revlon 4½pc 1983	110½	112
GUS 8½pc 1986	90½	91½	Beatrice 7½pc 1990	120	121½	Suez 7pc 1985	95½	97
Hamersley 9½pc 1985	99	100	Borden 6½pc 1991	103½	104½	Texaco 4½pc 1988	90½	92
ICI 8½pc 1982	82½	83½	Chrysler 5pc 1988	71½	73	20th Century Fox 5pc 1987	54½	56
Ireland 8½pc 1989	89½	90½	Eastman Kodak 4½pc 1988	98½	99½	Union Carbide 4½pc 1982	89½	90½
ISEC 9pc 1985	88½	89½	Equity Funding 5½pc 1989	82½	84	Source: Kidder, Peabody Securities.		
Massey Ferguson 9pc 1982	99½	100½						
Monsanto 8½pc 1985	96	97						
Mt. Sk. Finland 8½pc 1986	90	91						
Occidental 9½pc 1982	85	97						
Oslo 8½pc 1986	90	91						
Olivetti 9½pc 1985	100	101						
Ontario Hydro 8½pc 1986	93	94						
Philips 8½pc 1976	96½	97½						
Quebec Hydro 8½pc 1986	91½	92½						
Transocean Gulf 9pc 1988	90½	91½						
Notes								
Cabot 8½pc 1975	98½	99½						
Ericsson 8½pc 1975	99½	100½						
Esso 7½pc 1978	93	94						

Work-to-rule threat by BEA pilots

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE possibility of a work-to-rule by British European Airways' pilots is looming again, as a result of their dissatisfaction with the progress of talks with the airline on pay and conditions of service.

Ballot papers seeking pilots' views on a work-to-rule have been sent out by the British Air Line Pilots' Association, returnable by August 31 and a work-to-rule could start any time after then if enough pilots approve—which is considered almost certain to be the case.

In a letter accompanying the ballot papers, Captain Don Laing, chairman of the BEA pilots' local council in BALPA, says: "Experience is that BEA will react speedily to any threat to their services and revenue. This hits them where it hurts. There is no viable alternative if we are to make any progress."

The pilots are not only critical of current salary levels, but also of what they claim is uncertainty about career prospects because of the current reorganisation of BEA's structure and the chartering of work out to independent airlines.

The possibility of a work-to-rule arose earlier this summer, but this was averted as a result of talks between Mr. Henry Marking and pilots' leaders, with the promise of more detailed discussions on the pilots' grievances.

It is now clear that the pilots believe that almost no progress has been made and they claim that BEA has not responded to pilots' proposals relating to salary scales and career prospects. The pilots are understood to be seeking salaries that would range up to about £9,000 a year for senior captains.

The pilots also claim that over the past three years there has been a threefold increase in the amount of work that BEA has put out to charter and that this represents the workload of 25 full crews.

Captain Laing commented: "The BEA management are trying to stifle criticism of pilots' conditions of service by references to a profit of £¼m., Rolls-Royce, Upper Clyde Shipbuilders and lame ducks.

"Perhaps BEA's real problem is not a reduced load factor, but an ever-increasing load factor. In 1961, BEA had approximately 100 staff per aircraft. To-day it is 140."

Study of finance for small companies

By David Walker

THE Smaller Business Association is carrying out a study of the sources of finance available to small companies. It is to set up a company to provide specialist and advisory services to members on a commercial basis.

The aim, the Association stated, was "to register, analyse and classify those sources of finance and to act as a co-ordinating body between them and members." The service would include finance for overseas operations.

In addition, the company would offer advisory services on industrial relations and export opportunities.

It would make use generally of facilities offered by SBA members in related businesses, outside professional assistance from existing consultancies and financial institutes, and its own specialist staff.

The SBA move coincides with what it claims as recent increased willingness among clearing banks and City finance houses to provide support for smaller businesses.

Two years ago, in its evidence to the Bolton Committee on Small Firms, the SBA maintained that smaller companies had to rely extensively on the clearing banks for finance, with few of the many other sources of finance generally available being interested.

The Bolton Committee itself is expected to publish by the end of this week an independent report it commissioned on financial facilities for small businesses.

Order books dropping in Sweden

By Our Own Correspondent

STOCKHOLM, August 17.

NEW ORDERS for the Swedish manufacturing industry during the first half of this year were 4 per cent. smaller than in the same period in 1970, according to the Central Bureau of Statistics, with a particularly pronounced drop of 11 per cent. in June. The total increase in the order books during the first half of this year amounted to 1 per cent. more compared with the same period in 1970.

The total backlog of orders has increased by 3 per cent., while deliveries have risen by 3 per cent. in the first six months of this year. Deliveries in the engineering sector were up 11 per cent., and new orders dropped 3 per cent.

Steel and allied products reported a drop of 4 per cent. in deliveries, with new orders down 12 per cent. and the total order book down 16 per cent. In the pulp and paper industry deliveries fell by 5 per cent., new orders by 11 per cent. and the backlog of orders is down 44 per cent.

EMIHUS PRODUCTS IN FRANCE

Emihus Microcomponents announces that agreement has been reached for the distribution of its products in France by International Semiconductor Corporation and International Passive Components, subsidiaries of Cogespar S.A.

Robens: 'no longer a Socialist'

LORD ROBENS, a Labour MP for 15 years and Minister of Labour in 1951, is no longer a Socialist, he admits in a recorded television interview to be seen on Anglia Television on September 13.

"I'm not a Socialist. . . . A Socialist is a person who believes that the State should own the whole of the means of production, distribution and exchange, and in my teens I believed that was right," the former National Coal Board chief, now chairman of Vickers, says.

"I don't believe that is right to-day. I think it's nonsense, I don't think it is real and I believe that over 90 per cent. of the people who vote Labour believe it to be unreal as well."

Lord Robens, 61, goes on: "The truth as I see it is that party politics are tearing this country apart.

"I would like to see leaders of parties or other people indicate what they would do with the national resources over the next five years . . . I would like people to have the opportunity of deciding whether they want more money spent in one way or another.

"If it was determined that every five years you voted for a programme, it wouldn't be difficult to get people of all parties—and of none—to get together and produce a programme, because this time people would be voting for a specific programme."

Members of Parliament, he claimed, were unable to influence Government policy to any real degree. "When we talk about Government we're not talking about more, in my opinion, than five people in this country . . . the Prime Minister and four other senior Ministers.

"Now, they are advised by a Civil Service which, in my opinion, by training and experience, is not competent to deal with these major matters."

He thought that the National Economic Development Council—"one of the best bodies of any country in the world"—would be able to work out a first-class practical programme for five years for the best utilisation of the nation's resources. "I would use the Council as the 'think-tank' of the Government itself," he added.

HOME CONTRACTS

Watsham's wins £2½m. CEGB order

Watsham's has been awarded a contract worth over £2.5m. by the Central Electricity Generating Board for the supply and erection of transmission lines in the North East London Area.

*

Reema (Chesterfield), a member of the Aberdeen Construction Group, is to build 366 houses at Richmood Park Road, Handsworth. The £1.13m. project will provide 176 flats, 190 houses and three aged persons' community centres. The order is from the Sheffield City Council.

The company has also been awarded a contract valued at £194,189 for staff residential accommodation at the Nottingham City Hospital.

*

£1m. orders for Maxim

Maxim Construction has won four orders totalling £960,000. The contracts include a further six factory units at Moulton Park for the Northampton Development Corporation (£250,000), the modernisation of 60 council houses at Tamworth, Staffordshire (£146,000), the second phase of 105 three-storey students' flats at Bournville for Birmingham University (£408,000) and the erection of 36 garages and 40 two-storey flats for the Cannock Urban District Council (£156,000).

*

Platt-Schindler Lifts is to instal 21 lifts in the 32-storey Guy's Hospital tower block in Southwark, at a cost of £335,000.

*

Thos. W. Ward has won an order worth £167,000 for 15 Yale tractor shovels from Tilling Construction Services. The shovels will be supplied from the American-based Eaton Corporation's new factory at Telford, Shropshire.

*

Rasbleigh Phipps, a subsidiary of Alwyn Holdings, has been awarded a contract worth over £500,000 for electrical services in the new hotel and air terminal at Hammersmith, being developed by Trans Continental Hotels, an associate of Trafalgar House Investments. Work has already started on site and the project is scheduled for completion in 1973.

OFFICE BLOCKS PLAN

Frinton Holdings, of Frinton-on-Sea, has obtained outline planning permission to build two large office blocks around a paved area containing a restaurant, on the site of the old Wolsey headquarters in King Street, Leicester.

One of the office blocks will rise to 15 floors, the other to nine.

NEW SIEMSSEN PARENT COMPANY

A new parent company, Educational Communications, has been created by Siemssen Hunter to control the group of Yorkshire-based companies in the field of educational and reference publishing which it acquired in December last year.

Mr. Rodney Harnett, a director of Siemssen Hunter, has been appointed chairman of Educational Communications. Mr. Tim McDonald joins as managing director from Haymarket Publishing, where he was a director.

Some war pensions to be backdated to 1965

A NUMBER of ex-servicemen are to have arrears of disability retired pay backdated to 1965.

The Department of Health and Social Security used to date an award from the date of a successful claim.

In a special report to Parliament published yesterday, Sir Alan Marre, Parliamentary Commissioner for Administration, the Ombudsman, considered that a number of cases had been affected by a change in the interpretation of pension law made in the High Court decision of October 1965 (Judd v. the Ministry of Pensions and National Insurance) which eased the burden of proof in certain cases.

A retired Army officer, whose complaint was referred to the Parliamentary Commissioner by Mr. Peter Mills, Conservative MP for Torrington, who renewed a claim in 1969—some four years after the Judd judgment—had his award dated from 1969. Now the Department has decided to backdate pay to the officer and others whose applications for review since 1965 have been successful because of the judgment.

Caudle to offer special services to industry

CAUDLE, the Birmingham-based heavy engineering transport and installation concern, is to diversify extensively.

In addition to its heavy engineering operations — which include computer removal and installations—Caudle is operating special services for exhibition delivery and installation, plant hire, container handling and storage, general handling and storage, vehicle contract hire, safe installation and office removals.

Mr. Sam Stevens, managing director, said much new equipment had been specifically bought for these operations. "All these industries need a specialist service and we can now provide just that."

Caudle's special fleet of low loaders, heavy-duty special-purpose vehicles and mobile cranes would provide efficient, fast delivery of all kinds of plant to any exhibition in Britain, he added. This would be backed by Caudle's own electrical and mechanical installation engineers, plus an expert knowledge of exhibition procedure.

The fleet included a wide range of vehicles from mini-vans to 50-ton low loaders available for contract hire, as well as special purpose plant.

Many new additions to the large fleet made it possible for Caudle to operate a heavy engineering delivery and installations service on an international basis, though this would be low-loader work only, and was expected to operate mainly between Britain and the Continent.

Caudle had 20,000 square feet of warehousing space in Bristol, which would be offered as a professionally operated storage facility for industries with operations in the area.

The company also had 10,000 square feet of warehousing in Birmingham, where facilities were provided for security storage of high value items such as electronic components, and container handling storage. There were also depots in East and West London.

Benefits continue under Clothing ITB

BY ELSBETH GANGUIN

THE Clothing and Allied Products Industry Training Board, in its second grant scheme for the year August 1 to July 31, 1972, published yesterday, continues to aim at encouraging companies to investigate their own particular training needs, and to set up a system meeting these needs effectively.

Employers get 15 per cent. of their levy back for establishing a systematic approach to training, and 5 per cent. for keeping the scheme up to date. Some 40 per cent. will be payable for systematic craft, operative and ancillary worker training (a 10 per cent. increase over last year) while grants for the same type of training of clerical, administrative and accounting staff have gone down from 10 to 5 per cent. of levy.

In total, grants are limited to 125 per cent. of levy paid by any one company. This includes grants for specific training activities, for instance, for the advanced training of clothing machine mechanics and engineers. There will also in future be a bonus of £75 when two years of craft training have been successfully completed, in addition to £75 payable for each of those two years.

APPOINTMENTS

APPOINTMENTS WANTED

COMPANY NOTICES

PERSONAL

PUBLIC NOTICES

OVERSEAS PROPERTY

RESIDENTIAL PROPERTY

LONDON HOUSES AND FLATS

WANTED

COUNTRY & COASTAL

PLANT AND MACHINERY

MOTOR CARS

CONTRACTS AND TENDERS

BUSINESS OPPORTUNITIES

PRODUCTION CAPACITY

EDUCATIONAL

CONSTRUCTION

The row over firm price tendering

BY MICHAEL CASSELL

FOR THE first time in over two years the construction industry has some cause to look to the future with confidence, but its relationship with a Government which claims a substantial share of the credit for the improving business situation has now reached a critical point.

Britain's builders are the first to accept that the Government's efforts since last June have helped restore long-lost vitality to at least some sectors of their industry. Removal of the betterment levy and its effects on land prices, the ending of the local authority mortgage ceiling and measures designed to make home loans in general more readily available have already presented them with a challenge in the housing market which they appear to be actively taking up.

There remains, however, one major rift between Whitehall and the construction world which has already provoked passions and subsequent threats quite alien to the building sector and which could widen even further before any acceptable solution is found.

The centre of what has now developed into a vociferous and, at times, bitter campaign by the industry to persuade the Government to change its mind is the firm-price tendering policy, under which any builder wishing to undertake public works projects (worth over £1,700m. in orders last year) must provide a definite cost quotation on any contract expected to last for up to two years.

Material costs

Reintroduced in 1957 with the general support of the industry, the policy worked without opposition until 1968 when material prices began to rise sharply. Now the builders' battle to get it modified or scrapped is being fought with a determination inspired by an inflationary background which is now sending material costs alone spiralling up at the rate of at least 1 per cent. a month.

They believe that any measure which means forward estimating over two years is absurd in the light of existing price developments, and point out that they are forced, in these circumstances, to load tenders to take account of indeterminate but inevitable cost increases. This, they claim, involves the actual generation of inflation. Yet without the loading the client may often get his work done at below cost.

The builders' contempt for the situation is hardly tempered by the Government's refusal to apply the same rule to the nationalised industries. It is here, they claim, that the price spiral begins and only here that it can be effectively stopped.

Attempts have already been made by the industry's representative bodies to discuss the problem with the public sector, but their approaches have been rejected without exception. The National Federation of Building Trades Employers has since stated: "If the Government is not in a position to tell the nationalised industries to keep their prices firm, then contractors must take the line that the Government is surely not competent to demand firm prices from them."

CBI initiative

The Confederation of British Industry initiative on a voluntary pegging of prices below a 5 per cent. ceiling over the next 12 months, which the Government is encouraging nationalised industries to follow, is held only to add in their case.

Builders are maintaining that that amounts to an admission that one year is the maximum period over which future price movements can be forecast, while they are still being held to two years.

The contractors have emphasised their support for the firm pricing system in principle, but stress than they are unable to comply with it when they are surrounded by inflation. At the same time, however, they accept that there is little chance of getting Whitehall to end the scheme overnight, and they seem anxious to secure a compromise at the earliest opportunity.

A halving of the two-year period appears to be the most popular solution and with this object in mind meetings have already been held with Mr. Julian Amery, Minister for Housing and Construction. The Minister has held his ground, and remains confident that the policy is disinflationary. He points to a situation in which firm price bids are still being made quite freely with little evidence of undue provision for future price changes. Neither, he emphasises, is there any sign that bankruptcies can be attributed to the policy.

Some builders suggest that a more palatable solution would involve the provision of clauses in contracts allowing price movement on that part of a project most susceptible to cost increases. Others say that this would lead to overwhelming administrative burdens — and various methods of ensuring that all kinds of price increases found their way into the "acceptable" section.

In the meantime, contractors must continue to accept work under the firm-price restrictions or simply not take on public works projects. The signs are that this is now happening, and with some unpleasant consequences.

Recently, a building company in Hull with a long and amicable association with the local corporation decided to withdraw from a school buildings contract because material increases had made an eventual profit impossible. As a result, the Corporation has banned the builder from further public works contracts for three years and, in doing so, has provided the anti firm-price tendering lobby with some valuable ammunition. Mr. W. S. Hilton, national director of the Federation of Master Builders, blamed "blind, dogmatic Government insistence" for the move. The whole industry, he said, thought it completely unjust that the contract sector should be made to pay for deficiencies in the economy as a whole.

Angry campaign

But apart from keeping up their angry vocal campaign or taking the risk of expulsion from local authority contract lists, there is little else the builders can do. The NFBTE has gone as far as it can by stating that it no longer supports the Government's policy. To go further, and suggest that contractors should not accept work in this sector, would be in contravention of the Restrictive Practices Act.

The builders say that the policy has only survived because low levels of activity have meant the acceptance of work under virtually any conditions. But from a point where they could not afford to refuse such business, they claim they have now reached the point where they would be foolish to accept. The firm price tender, they stress, is taking a heavy toll at a time when in many other respects prospects appear encouraging.

It is now being suggested that Mr. Amery may decide to take some action to appease the industry in the autumn, although he has not yet given any indication of doing so. If he is to improve relationships with the industry, of which he is both the sponsor and largest customer, then an acceptable arrangement cannot be delayed much longer.

Labour News

BBC pay row could disrupt TV programmes

BY MICHAEL HAND, LABOUR CORRESPONDENT

A BREAKDOWN in pay talks for 4,500 behind-the-scenes workers at the BBC yesterday could lead to industrial action which would disrupt television programmes.

In a last ditch attempt to try to settle the dispute the BBC is invoking the help of the Department of Employment conciliation service, as provided for in its agreements with the unions.

If this fails the unions seem certain to consider industrial action, which they were talking about as long ago as the beginning of July. Mr. Tom Rhys, general secretary of the Association of Broadcasting Staff, the main union concerned, said at that time if action was taken it would not black out television screens but would cause sufficient chaos behind the scenes to disrupt programmes.

The gap between the BBC and the unions is now narrow. The ABS said yesterday that the dispute followed the BBC's "final rejection" of a second compromise counter proposal by the unions that all the staff involved should receive the offered £2 or £1.60 a week increase "except where this is needed to be adjusted to produce an increase of at least 9 per cent."

According to a BBC spokesman yesterday its offer is in fact worth 9 per cent. overall, but the unions are apparently asking for slightly more for some grades.

Originally the unions sought increases of 10 per cent. back-dated to March 1, or 12½ per cent. back-dated to June 14. The claim is based on the rapid rise in the cost of living since the unions signed a productivity deal.

Among the factors which the BBC has considered in standing firm on its present offer is the corporation's own financial position and also the Government's pay strategy and the general level of pay settlements now being reached in the public sector.

The ABS has complained that "we seem to be negotiating not with the BBC but to some extent with them against the Treasury."

The staff involved are mostly scene-shifters, studio workers, carpenters, fitters, riggers and messengers. Present basic rates range between about £16 and £27 a week.

MAN BRINGING COURT ACTION OVER SACKING

A 63-year-old contracts engineer is bringing a High Court case against his employers to try to stop them sacking him because he refuses to join a union.

Mr. John Hill, who has been employed by C. A. Parsons, Newcastle, since 1936 was given one month's notice at the end of July this year because he would not join the draughtsmen's section of the Amalgamated Union of Engineering Workers. The company signed a deal with the union last year making membership of the union a condition of employment.

Mr. Hill is one of 35 employees who have been given notice. They are members of the United Kingdom Association of Professional Engineers which is supporting the legal action, due to be heard in the High Court to-day.

Chrysler workers vote to-day on package deal

BY OUR LABOUR REPORTER

CHRYSLER car workers at the company's Ryton body and assembly plant will vote to-day and to-morrow on a package deal offer that would add £3 a week to basic rates.

The present hourly rate for the 4,300 manual workers at the plant is 95½p. The new rate would be £1.03 an hour.

The package also includes an offer to improve lay-off, holiday and sickness pay. Women's pay, at present 75 per cent. of the male rate, would also be improved.

Lay-off pay at the moment is 65 per cent. of the operative's rate for up to two weeks at any one time with a maximum of four weeks in a year. It is not paid when the lay-offs are caused by a dispute within the company.

At Chrysler's Stoke plant yesterday, 150 had to be laid off for one shift because of the overtime ban by engineers over the decision by the members of the local employers' federation to cancel the Coventry tool room agreement.

Manning dispute

At Triumph Motors, Coventry, 2,500 assembly workers will be laid off from to-night because of a pay and manning dispute involving 900 factory transport drivers. Two of the three assembly tracks will be idle and production concentrated upon the Stag and TR6 models.

Last week, 3,000 men were laid off at the plant for several days because of the drivers' dispute. The men are operating a go-slow and this has disrupted the delivery of production supplies.

● At the Triumph works at Speke, Liverpool, yesterday 32 paint shop workers walked out over a pay dispute. A further 210 work mates in the paint section took sympathy action and 300 men in the Toledo trim, assembly and body section were laid off.

JOHN ALLEN ON SHORT TIME

John Allen and Sons, the Cowley engineering company, is to go on short-time next week. The 200 men in the works will begin a four-day week next Monday, then will be out every alternate Friday and the following Monday until further notice. The general state of the engineering industry was to blame, a spokesman said.

HOPE FOR RETURN AT ALCAN SITE

UNOFFICIAL strikers at the Alcan smelter site at Tynemouth are to be asked to return to work following informal talks yesterday.

Representatives of the 400 electricians employed on the site by N. G. Bailey, on strike over a pay dispute, met the Joint Industry Board for the electrical contracting industry in Sidcup, Kent.

The Board offered to send a deputation from the national working party investigating the industry's wage structure to the site—provided normal working is resumed. The strikers' representatives are to report the offer to the men.

WALK-OUT HALTS GLASGOW PLANT

The Kennomeat animal food factory at Barrhead, near Glasgow, was brought to a standstill yesterday when 300 production workers walked out in protest against the sacking of six colleagues on their return from the annual holidays. The men said that they had been victimised because they stopped work two hours earlier before going on holiday. They claimed permission had been granted by their supervisor. A management spokesman said the company had no comment to make.

BUSINESS OPPORTUNITIES

This Advertisement is issued in compliance with the Regulations of the Council of The Stock Exchange, London, for the purpose of giving information to the public with regard to Unitech Limited ("the Company"). The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement in the Advertisement misleading.

Unitech Limited

(Incorporated under the Companies Act 1948)

Share Capital

Authorised £		Issued and now being issued fully paid £
402,273	8 per cent. Convertible Redeemable Cumulative Preference shares of £1 each (Series A)	402,273
121,534	8 per cent. Convertible Redeemable Cumulative Preference shares of £1 each (Series B)	121,534
476,193	Ordinary shares of 10p each	269,214
1,000,000		793,021

The 8 per cent. Convertible Redeemable Cumulative Preference shares of £1 each (Series A) ("Series A Preference shares") are convertible into Ordinary shares at the rate of 1.8 Ordinary shares of 10p for every Series A Preference share of £1. The 8 per cent. Convertible Redeemable Cumulative Preference shares of £1 each (Series B) ("Series B Preference shares") are convertible into Ordinary shares at the rate of 1 Ordinary share of 10p for every Series B Preference share of £1. If all the Series A and Series B Preference shares were converted this would result in the issue of a further 845,625 Ordinary shares of 10p each. Quotation is not at present being sought for the Series A and Series B Preference shares.

The Company and its subsidiaries ("the Group") have outstanding bank and other short-term indebtedness which at 2nd July, 1971 amounted to £536,530 of which £173,761 was secured: £150,000 of such secured indebtedness and approximately £140,000 of such unsecured indebtedness is to be repaid out of the net proceeds of the 300,000 Series A Preference shares now being issued. Certain subsidiaries have outstanding loans which at 2nd July, 1971 amounted to £78,194 of which £7,686 was secured. The Company and its subsidiaries have hire purchase commitments which on the same date amounted to £58,148. Save as aforesaid and apart from inter-company transactions neither the Company nor any of its subsidiaries has outstanding any bank overdrafts or other short term indebtedness, loan capital, mortgages, charges, hire purchase commitments or, except in the ordinary course of business, any material guarantees or other material contingent liabilities.

Introduction arranged by Hill Samuel & Co. Limited

Application has been made to the Council of The Stock Exchange, London, for permission to deal in and for quotation for the 2,692,140 issued Ordinary shares of 10p each of the Company.

Directors:
PETER ALFRED MAX CURRY (*Chairman and Joint Managing Director*),
The Old Vicarage, Valley End, Chobham, Surrey.
JOHN ARTHUR HUGH CURRY (*Joint Managing Director*),
Birchenholt, Wellingtonia Avenue, Crowthorne, Berkshire.
ALEXANDER GORDON MACPHERSON,
The Old Rectory, Easton, Winchester, Hampshire.
THOMAS PERCY WALMSLEY,
Hartwood, Wonersh Park, Wonersh, Guildford, Surrey.

Secretary and Registered Office:
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Auditors and Joint Reporting Accountants:
SMITH & WILLIAMSON, *Chartered Accountants*,
Scottish Union House, 25, Bucklersbury,
London, EC4N 8DE.

Joint Reporting Accountants:
PEAT, MARWICK, MITCHELL & CO., *Chartered Accountants*,
11, Ironmonger Lane,
London, EC2P 2AR.
Bankers:
LLOYDS BANK LIMITED, 72, Lombard Street, London, EC3P 3BT
BANKERS TRUST COMPANY, 9, Queen Victoria Street, London, EC4P
Brokers:
BUCKMASTER & MOORE, The Stock Exchange, London, EC2P 2

HISTORY AND BUSINESS

The Company was formed in England on 22nd May, 1962 by Mr. P. A. M. Curry and Mr. A. G. Macpherson as a holding company to provide venture capital and assistance in commercial and financial management for small companies in technologically based industries. The development of the Company has primarily been through the formation of, or the obtaining of controlling interests in, companies in the field of electronics. The Company now has nine main subsidiaries operating in five areas which are set out below, together with the sales in each case for the year ended 30th May, 1971:—

	£'000
Electronic component distribution	2,255
Electronic test equipment and sub-units	1,373
Plastic moulding	537
Industrial controls	462
Computer peripherals	184
	4,811

No one customer accounts for more than 10 per cent. of the total sales of the Group.

All the companies in the Group were formed by the Company or were acquired at an early stage in their development. It has been the practice of the Board to classify newly formed or acquired subsidiaries as "new ventures" until, in the Board's opinion, they have reached an established trading position. The four main subsidiaries operating in the fields of industrial controls and computer peripherals are at present classified by the Board as new ventures. The Company has recently sold at a profit two new venture subsidiaries which were both in their initial loss-making phase.

It is the current policy of the Board to maintain the development of the Group's existing interests in the United Kingdom and overseas both by internal growth and through the acquisition of suitable established companies. The Board also intends that the Company shall continue to take controlling interests in other new ventures should the opportunity arise, provided that such investments and the ensuing commitments are not expected to prejudice the Board's principal objective of maintaining growth in the earnings attributable to each Ordinary share of the Company.

Electronic component distribution

Celdis Limited ("Celdis") and S.D.S.-W.E.L. Components Limited ("S.D.S.-W.E.L.") are distributors of electronic components, their leading lines being transistors, integrated circuits and other semi-conductor products: other lines include resistors, capacitors, connectors, potentiometers and industrial fans. Celdis has two overseas subsidiaries, one in Italy and one in Germany which only commenced business in October, 1970 and which was classified as a new venture until 30th May, 1971.

Celdis and S.D.S.-W.E.L. are distributors for approximately forty-five manufacturers. The products of no one manufacturer or group of manufacturers account for more than 10 per cent. of the total sales of the Group, except for subsidiaries of Motorola Inc., which together account for approximately 15 per cent. of the total sales of the Group. At 30th May, 1971 approximately 90 per cent. of the stock of £592,122 carried by Celdis, S.D.S.-W.E.L. and their respective subsidiaries was covered by agreements with suppliers which provide *inter alia* protection against reduced selling prices.

Electronic test equipment and sub-units

Coutant Electronics Limited ("Coutant") manufactures both standard catalogue and specially designed power supply units which are used in a wide range of electronic products, particularly computers and data processing equipment. Weir Electronics Limited ("Weir") manufactures specially designed electronic sub-systems and also laboratory power supplies and digital instruments.

Plastic mouldings

Fibre Resin Developments Limited ("F.R.D.") produces fibre resin mouldings and the bulk of its production consists of cabinet backs for the United Kingdom television set manufacturers: F.R.D. has a major share of this market. Mouldings are also supplied to the motor industry in the form of parcel shelves and other items of trim.

Industrial controls

Telsec Instruments Limited ("Telsec") manufactures scientific and analytical equipment. Its principal products are x-ray spectrometers, portable mineral analysers and chart recorders. Tempatron Limited ("Tempatron") produces a range of solid state timers for use in the control of industrial processes. Transducers (C.E.L.) Limited ("Transducers") makes a range of pressure transducers and load cells.

Computer peripherals

Data Recognition Limited ("O.R.") manufactures optical mark reading equipment. This equipment automatically converts handwritten marks on pre-printed documents into computer language on magnetic tape, paper tape or for on-line transmission, thus reducing the cost and simplifying the data conversion process for many computer users. An agreement has recently been made by O.R. with the National Research Development Corporation whereby the latter is supporting the development and overseas marketing programme of O.R.'s principal product (Material Contract (7)).

PREMISES

The Group's head office is in Reading; in addition Group companies occupy 12 factory premises with related offices. All these premises, except two, are leasehold, the leases having between 12 and 21 years to run. Of the other two, one is freehold and the other leasehold with a term expiring in 2067.

The premises occupied by Group companies cover an area of approximately 202,000 sq. ft. of which 166,000 sq. ft. are leased at a current aggregate gross rent of £69,424 per annum. Approximately 18,000 sq. ft. are sublet for rents currently amounting to £11,950 per annum.

PANTIYA

Between July 1968 and March 1971 the Company acquired an interest of 38.67 per cent. in the issued share capital of Pantiya Electronics Limited ("Pantiya"). Pantiya, a quoted company which was incorporated in England on 21st April, 1909, is a holding company with one trading subsidiary, Walmore Electronics Limited ("Walmore") which is wholly owned. Walmore's principal business is the marketing of components and materials for a wide variety of electronic equipment. In the opinion of the Board of the Company this business is complementary to, rather than competitive with, the electronic component distribution interests of the Group. On 5th April, 1971 Mr. A. G. Macpherson was appointed to the Board of Pantiya.

The Company's investment in Pantiya cost £350,472 and its market value, on the basis of the middle market quotation of 23p on 22nd July, 1971, was £356,476. On the following day the Company announced that the Introduction of the Company's issued Ordinary share capital to The Stock Exchange, London, was being arranged and that following the Introduction it intended to approach the Board of Pantiya with a view to negotiating terms for an agreed offer by way of an exchange of securities for the Ordinary share capital of Pantiya not already owned by the Company.

Financial information regarding Pantiya is set out below.

MANAGEMENT AND EMPLOYEES

Mr. P. A. M. Curry, aged 40, is Chairman and Joint Managing Director and has been engaged in the electronics industry for the whole of his working life. His brother, Mr. J. A. H. Curry, aged 33 and a Chartered Accountant, joined the Company in 1966 and is the other Joint Managing Director. Mr. A. G. Macpherson, aged 39, a partner in Buckmaster & Moore, members of The Stock Exchange, London, has been a non-executive Director since the formation of the Company, and Mr. T. P. Walmsley, aged 53, a partner in the Company's solicitors, was appointed a non-executive Director in 1971. Mr. P. A. M. Curry and Mr. J. A. H. Curry have service agreements with the Company, details of which are given below (Material Contracts (9) and (10)).

Mr. J. B. C. Lethbridge, aged 44, who joined the Company in 1970 as Financial Controller, was appointed Secretary on 1st July, 1971. The other executives of the Company are Mr. C. G. Bailey, aged 51, who joined in 1962, and Mr. T. M. Curtis, aged 29, who joined in 1971.

The Chief Executives of the main subsidiaries, together with their ages and dates of joining the relevant company or the Group, whichever is the earlier, are set out below:—

Subsidiary	*Chief Executive*	*Age*	*Date*
Celdis	Mr. W. Thorn	40	1968
S.D.S.-W.E.L.	Mr. R. Chaster	47	1962
Coutant	Mr. K. Bennett	39	1962
Weir	Mr. D. J. Hendry	48	1965
F.R.D.	Mr. J. R. LaT. Corrie	45	1969
Telsec	Mr. H. J. Lucas-Tooth	38	1963
Tempatron / Transducers	Mr. T. M. Dickson	50	1967
O.R.	Mr. R. R. Roper	40	1970

It is the Board's policy to give executives of the subsidiaries the opportunity, as an incentive, to retain or acquire a minority interest in their companies, particularly when the company is still a new venture. When the company becomes established it is often appropriate, both in the interests of the executive and the Group, to offer him the opportunity to exchange his shares for shares in the Company.

Since 1st June, 1969 there has been a contributory group pension scheme, where the Company's contribution varies with the level of Group profits, for all full-time employees who have completed not less than two years' service with participating Group companies (at present, the Company, Coutant, Weir, Celdis and S.D.S.-W.E.L.). A supplementary Life Assurance scheme is open to selected full time employees. Telsec has a separate contributory pension scheme for its employees.

The Company has made loans to certain senior executives of Group companies to purchase shares in the Company or its subsidiaries and at 30th May, 1971 £45,625 was outstanding. The Board is currently reviewing the question of incentives and intends to submit, as soon as practicable, a share incentive scheme for Group executives to shareholders for their approval.

The Group has at present approximately 840 employees.

WORKING CAPITAL

In order to repay short-term indebtedness, much of which has resulted from the purchase of the Company's holding of shares in Pantiya, the Company has entered into an agreement dated 23rd July, 1971 with *Buckmaster & Moore* whereby *Buckmaster & Moore* has agreed, subject to the Council of The Stock Exchange, London, granting permission to deal in and quotation for the issued Ordinary shares of the Company not later than 27th August, 1971, to subscribe or procure subscribers for 300,000 Series A Preference shares at a price of 115p per share, less a commission of 1½ per cent. (Material Contract (8)). The first dividend payable on the new Series A Preference shares, amounting to 4 per cent., will be paid on 31st March, 1972 in respect of the six months to 30th November, 1971.

Taking into account bank and other facilities available to the Group and the net proceeds of the issue of the Series A Preference shares, estimated to amount to £290,000, the Board is of the opinion that the Group has adequate working capital for its current requirements.

PROFITS AND DIVIDENDS

The profits/(losses) of the Group since its formation are set out in the Accountants' Report and represent a combination of results from the established companies, the new ventures and, in the last three years, the profits attributable to the Group's investment in Pantiya.

In the early years the Group incurred losses because the majority of its subsidiaries were in their initial loss-making phase. As the original subsidiaries became established and started earning a profit other new ventures were started and acquired. In recent years the trading results of established companies have become increasingly significant compared with those of new ventures, thus producing the increase shown in the consolidated profits of the Group.

The Group's consolidated profits before minority interests and taxation for the year ended 30th May, 1971 as shown by the Accountants' Report amounted to £229,791. These may be analysed as follows:—

	£
Profits of established companies	183,877
(Losses) less profits of new venture companies	(4,905)
Share of profits attributable to investment in Pantiya ..	74,987
	253,959
Unallocated expenses of the Company	24,168
Consolidated profits before minority interests and taxation	229,791

Had the Company been a quoted company throughout the year ended 30th May, 1971 it would have been the Board's intention to recommend the payment of a dividend on the issued Ordinary share capital of 10 per cent.

If the profits before minority interests and taxation for the year ended 30th May, 1971 are adjusted as set out below to take account of the net proceeds of the issue of the 300,000 Series A Preference shares and are deducted corporation tax at 40 per cent., minority interests, divi[dends] of 8 per cent. on the Preference share capital as increased [...] dividend of 10 per cent. on the Ordinary share capital, then the pro[fits of] that year would have been appropriated as follows:—

	£	£
Profits before minority interests and taxation for the year ended 30th May, 1971 including £74,987 attributable to the investment in Pantiya		22[...]
add: Interest at 10 per cent. on £290,000 of borrowings to be repaid out of the estimated net proceeds of the issue of 300,000 Series A Preference shares		2[...]
Adjusted profits before minority interests and taxation		25[...]
deduct: Corporation tax at 40 per cent. ..	103,516	
Minority interests (net)	5,524	
		10[...]
Profits after taxation attributable to the members of the Company		14[...]
deduct: Preference dividends at 8 per cent.	41,905	
Ordinary dividends at 10 per cent.	26,921	
		6[...]
Retained profits (of which £17,314 was retained by Pantiya)		8[...]

On the basis of (*a*) the current order books and sales levels [of the] Company and its subsidiaries and (*b*) the information presently avai[lable] to the Board regarding its investment in Pantiya, the Board conside[rs the] outlook at present for the Group to be satisfactory. Neverthele[ss the] Board is of the opinion that it is too early to forecast the results [for the] whole year ending 31st May, 1972. It is the Board's intention, i[n the] absence of unforeseen circumstances, to recommend a dividend [of not] less than 10 per cent. on the issued Ordinary share capital in resp[ect of] the current financial year for payment in October, 1972.

The Board believes that the Group's new ventures are m[aking] satisfactory progress and that the established companies of the [Group] and Pantiya are well placed in the fields in which they operate an[d that] long term prospects are good.

EARNINGS PER SHARE

The profits/(losses) of the Group for the period from 22nd [May,] 1962 to 30th May, 1971 are set out in the Accountants' Report. In r[ecent] years the tax payable by the Group has been less than corporatio[n tax] calculated at the standard rate in the relevant year as a result of l[osses] incurred in prior years by various subsidiaries being set off against profits of more recent years.

A table of earnings attributable to each issued Ordinary share [of the] Company for the three years ended 30th May, 1971, after cha[rging] corporation tax at the rate of 40 per cent., is set out below on two b[ases,] first after deducting dividends on the then issued Convertible Prefe[rence] share capital and secondly assuming full conversion of such Prefe[rence] share capital.

Year ended 31st May	(a) *Earnings per Ordinary share*	(b) *Earnings per Ordinary share assuming full conve[rsion] of Preference capita[l]*
	p	p
1969	1·64	1·93
1970	2·84	3·15
1971 (30th May)	4·25	4·41

If the earnings attributable to each issued Ordinary share for the [year] ended 30th May, 1971 set out above are adjusted to take into acc[ount] the issue of the 300,000 Series A Preference shares, then the earn[ings] attributable to each issued Ordinary share for the year ended 30th [May,] 1971 would *have been*:—

4·01p actual compared with 4·25 shown above.

4.23p assuming full conversion compared with 4·41 shown above.

ACCOUNTANTS' REPORT

The following is a copy of a report received from Smith & Williamson, the Company's Auditors and Joint Reporting Accountants, and Peat, Marwick, Mitchell & Co., the Joint Reporting Accountants:—

17th August, 1971.

The Directors,
Unitech Limited.

Gentlemen,

We have examined for the periods relevant to this report the audited accounts of Unitech Limited ("the Company") and its subsidiaries, which are collectively referred to as the "*Group*".

We report as follows:—

1. Profits

The profits/(losses) of the Group and its share of the profits attributable to its shareholding in Pantiya Electronics Limited ("Pantiya") for the period from 22nd May, 1962 to 30th May, 1971, arrived at on the basis set out below were as follows:—

(1)	(2) *Issued share capital and reserves at the end of the period*	(3) *Turnover*	(4) *Depreciation*	(5) *Profits/(losses) before deducting interests of minority shareholders and taxation*	(6) *Amounts attributable to minority shareholders*	(7) *Net profits/(losses) before taxation*
	£	£	£	£	£	£
Period from 22nd May 1962 to 31st May, 1963	24,977	43,000	2,368	(7,945)	—	(7,945)
Year ended 31st May						
1964	64,814	157,000	4,193	(11,845)	(60)	(11,785)
1965	91,568	470,000	12,151	(41,317)	(3,949)	(37,368)
1966	142,859	920,000	28,836	(7,473)	(4,197)	(3,276)
1967 (2nd June)	419,397	1,337,000	37,175	(4,708)	(5,546)	838
1968	461,331	2,030,000	49,195	23,060	(7,360)	30,420
1969	1,016,978	2,683,000	55,077	89,389	(6,553)	86,442
1970	1,095,725	4,053,000	58,587	155,929	(1,353)	157,282
1971 (30th May)	1,217,992	4,811,000	79,750	229,791	9,207	220,584

Notes:

(1) The profits/(losses) in column (7) above are arrived at before charging taxation but after charging all working expenses, including depreciation and directors' emoluments, after deducting amounts attributable to the interests of minority shareholders in subsidiaries and after making such adjustments as we consider appropriate.

(2) The profits for the years ended 31st May, 1969, 1970 and 30th May, 1971 shown in columns (5) and (7) above, include a proportion, appropriate to the shareholding of the Company, of the profits before taxation of Pantiya for the years ended 31st December, 1968, 1969 and 1970 respectively.

The amounts included, together with the dividends received from Pantiya and the cost of the Company's investment in Pantiya at the end of each year, are shown below:—

Year ended 31st May	*Profits before taxation*	*Dividends received*	*Cost of investment*
	£	£	£
1969	48,684	10,102	268,685
1970	87,631	22,069	326,675
1971 (30th May) .	74,937	24,100	350,472

(3) The profits and losses of subsidiaries have been included in the amounts shown in column (7) above (*a*) from the dates of incorporation, where incorporated by the Company, or (*b*) the date of commencement of the accounting period during which they were acquired either for cash or for a combination of cash and shares, or (c) the date on which they effectively came under the management control of the Company.

The losses relating to the following subsidiaries or divisions of subsidiaries have been excluded in arriving at the profits/(losses) shown above:—

McAlley Associates Limited and its subsidiaries—sold 28th February, 1970;
Datatech Industries Limited and its subsidiary—sold 9th November, 1970;
Coutant Electronics Limited—electronic instruments division—sold 31st May, 1970;
Coutant G.m.b.H.—ceased to trade on 30th April, 1971.

(4) Complete records of stocks are no longer available at accounting dates up to and including 31st May, 1966 for certain subsidiaries and accordingly, for periods up to and including that ended 2nd June, 1967, Peat, Marwick, Mitchell & Co. are unable to verify that, for the purposes of arriving at the profits shown in column (7), such stocks were properly taken and valued on consistent bases. However such stock records were available at the time of their respective audits to Smith & Williamson or to Norman Hunt, Howse & Co., the previous auditors of one of the subsidiaries. Smith & Williamson and Mr. M. J. Ridge, a former partner in Norman Hunt, Howse & Co. have both confirmed that they were satisfied that the stocks at the relevant dates were properly taken and valued on consistent bases.

(5) Directors' emoluments charged in arriving at the profits shown in column (7) for the year ended 30th May, 1971 amounted to £17,500. Under the arrangements now in force, the emoluments of the present directors of the Company would have amounted to £22,500.

2. Net Tangible Assets

The net tangible assets of the Company and the combined net tangible assets of the Group at 30th May, 1971, based on the audited balance sheets at that date and adjusted to take into account the estimated net proceeds of 300,000 8 per cent. Convertible Redeemable Cumulative Preference shares of £1 each (Series A) ("Series A Preference shares") now being issued, were as follows:—

THE COMPANY £	THE COMPANY *Depreciation* £	THE COMPANY *Cost* £		THE GROUP *Cost* £	THE GROUP *Depreciation* £	THE GROUP £
			Fixed Assets			
—	—	—	Freehold property	42,423	—	42,423
—	—	—	Long term leasehold property	22,311	—	22,311
—	—	—	Short term leasehold property	27,058	8,237	18,821
—	—	—	Plant and machinery	396,794	226,976	169,818
1,789	1,001	2,880	Fixtures and fittings	114,965	37,551	77,414
2,568	1,757	4,266	Motor vehicles	95,855	24,180	71,675
4,298	2,648	7,146		699,408	296,944	402,462
			Deduct:			
	546		Outstanding hire purchase instalments		56,681	
	—		Balance of investment grants		33,909	
546						90,590
3,752						311,872
			Subsidiaries			
	300,277		Shares at cost		—	
	724,057		Loans and amount due from subsidiaries		—	
	1,024,334				—	
	45,509		*Less:* Amounts due to subsidiaries ..		—	
978,525						—

THE COMPANY £	THE COMPANY £		THE GROUP £	THE GROUP £
350,472		Quoted Investments at cost (Note 2) ..		350,472
45,625		Loans to Employees (Note 3)		45,625
		Current Assets		
	—	Stocks and work in progress at the lower of cost and net realisable value ..	1,205,250	
	30,027	Debtors and prepayments	1,238,302	
	23	Cash at bank and in hand	16,311	
	7,547	Taxation recoverable	—	
	37,597		2,459,863	
		Less: **Current Liabilities**		
	42,466	Creditors and accrued charges ..	1,080,390	
	—	Taxation	15,449	
	—	Bills payable	264,933	
		Bank overdrafts		
	47,196	Secured	73,257	
	8,504	Unsecured	265,922	
		Loans at call		
	100,000	Secured	100,000	
	157,523	Unsecured	157,523	
	9,952	Preference dividend accrued	8,952	
	364,641		1,966,426	
(327,044)		Net Current Assets (Liabilities) ..		493,437
1,051,630				1,201,400
		Deduct:		
	—	Loans (Note 4)	78,194	
	1,221	Taxation due 1st January, 1973 ..	49,175	
	—	Minority interests	22,983	
1,221				150,352
1,050,409				1,051,054
		Add: Estimated net proceeds of issue of Series A Preference shares ..		
290,000				290,000
1,340,409		Net Tangible Assets		1,341,054
		Representing:		
523,807		Preference share capital issued and now being issued		523,807
269,214		Ordinary share capital issued		269,214
793,021				793,021
510,904		Premium on shares issued		510,904
45,000		Premium on shares now being issued ..		45,000
46,484		Retained earnings		214,067
1,395,409				1,562,982
		Deduct:		
	—	Goodwill on consolidation	106,938	
	55,000	Estimated costs of the Introduction and the Placing of the Series A Preference shares	95,980	
55,000				[...]
1,340,409				[...]

Notes:

(1) At 30th May, 1971 authorised capital expenditure amounted to £Nil [for the] Company and £30,250 for the subsidiaries of which £Nil and £22,000 respective[ly had] been committed.

(2) The quoted investment represents the Company's holding of shares in Pa[ntiya.] At 30th May, 1971 the Company held 1,550,000 shares (38.67 per cent.) in Pant[iya at a] cost of £350,472 compared with a value based on the middle market quota[tion on] 28th May, 1971 of £310,000. The net tangible assets of Pantiya at 31st December [1970] were £177,002 of which at that date £67,562 was attributable to the Company.

(3) Loans to employees include an amount of £10,000 (repayable 1st August [...]) lent to Mr. J. A. H. Curry who was, subsequent to the loan being made, appoi[nted a] Director.

(4) Details of loans, all of which are in subsidiaries, are as follows:—

	£
Unsecured loan 1971/74	40,938
8% Mortgage loan 1968/92	7,686
Unsecured interest free loan stock 1974	2,500
8% Unsecured loan stock 1974	10,000
Unsecured loan 1975	17,072
	78,194

(5) Contingent liabilities at 30th May, 1971 amounted to £492,000 in res[pect of] guarantees given on behalf of subsidiaries. A subsidiary had a contingent liab[ility of] £6,000 for partly-paid shares and certain other subsidiaries had contingent liab[ilities of] £3,500 in respect of bills discounted.

3. Dividends

No dividends have been paid by the Company on its issued Ordinary share capi[tal.]

Dividends have been paid or are payable by the Company at the rate of 8 per [cent. on] its issued Preference share capital as follows:—

Year ended	£
2nd June, 1967	4,921
31st May, 1968	8,182
31st May, 1969	13,810
31st May, 1970	17,304
30th May, 1971	17,904

4. Accounts

No audited accounts of the Company or its subsidiaries have been prep[ared in] respect of any period subsequent to 30th May, 1971.

Yours faithfully,

Smith & Williamson,
Chartered Accountants.
Scottish Union House,
25, Bucklersbury, London, EC4N 8DE.

Peat, Marwick, Mitchell & Co.
Chartered Accountants.
11, Ironmonger Lane,
London, EC2P 2AR.

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Oil companies end gas dispute

TWO major oil companies have reached agreement in a legal dispute over their search for North Sea gas.

Amoco (U.K.) Exploration Company had sought an order in the High Court that Total Oil Marine should honour a bargain to share information obtained from test wells drilled by the two companies.

Yesterday, Mr. Sydney Templeman, QC, for Amoco, told Mr. Justice Brightman: "The parties have reached an amicable agreement."

Reading a prepared statement, Mr. Templeman said the dispute had arisen out of a difference of opinion on the interpretation of two well trade agreements which gave Amoco an option to obtain data from one of Total's recently-opened North Sea wells. The difference concerned the frequency of supply of data.

Mr. Samuel Silkin, QC, for Total, confirmed the agreement. After the hearing, Amoco's solicitors declined to say whether or not Amoco had been given the information it had sought from Total.

When the case was mentioned in the High Court last Wednesday, Mr. Templeman said Amoco claimed they had a binding agreement with Total for the exchange of information about exploratory wells.

Amoco had passed on their information but Total had not. Unless it did so by August 20, the information would be valueless, because noon that day was the deadline set by the Government for acceptance of tenders for licences to drill.

More manual workers apply to Open University

MORE skilled manual workers are applying to join the "swot at home" Open University, it was disclosed yesterday.

There has been a significant drop to the proportion of applications from teachers, said the University.

A total of 35,182 applications were made—34,222 of them valid for the 1972 foundation courses in arts, mathematics, science, social sciences and technology.

The previous year's tally was ,000, but the application period this year was one month shorter, coupled with the effects of the post strike. The percentage wanting to take two courses was 24.98, compared with 45 last year.

The university is to offer 24,750 course places to 21,065 applicants (allowing for those taking two).

The most common age for applicants is down from 29 to 23.

BR'S COLOUR QUARTERLY

The first issue of Travelling, a quarterly colour magazine for distribution to 1m. customers of British Rail services, is to appear next January.

It will be distributed to passengers on Inter-City trains, sleeping car, Pullman and motorail services, Sealink's European and Irish car ferries, Seaspeed's cross-Channel hovercraft, and to all guests at the 32 British Transport Hotels throughout Britain.

Caledonian/BUA rise in traffic

By Michael Donne

CALEDONIAN/BUA, the "second force" independent airline, carried over 1m. passengers in the first six months of this year, 23 per cent. more than its two constituents—Caledonian Airways and British United—carried together in the same period of 1970.

The latter airlines merged to form Caledonian/BUA in November last year.

Freight carried rose by 7 per cent. over the period, to 10,750 short-tons.

Part of the increase is attributable to the take-over by Caledonian/BUA of BOAC's West African services from last April 1, but the airline also expanded other frequencies on European, South American and domestic trunk routes.

Mr. Adam Thomson, chairman and managing director, says: "The most encouraging and significant aspect of these figures is that the increases are across the board. Both scheduled and non-scheduled services show an in*crease and the traffic was carried* on the combined fleets of both airlines."

PURCHASE TAX CONCESSION FOR COMPUTER USERS

Paper tape used in data processing is no longer subject to purchase tax, following negotiations with Customs and Excise by leading paper tape manufacturers forming the Data Processing and Telecommunications Group of the British Stationery and Office Equipment Association.

The saving to computer users in terms of purchase tax is estimated to be at least £300,000 annually pending introduction of VAT.

A "new structure" for Whitehaven

BY H. A. N. BROCKMAN, ARCHITECTURE CORRESPONDENT

WHITEHAVEN, in Cumberland, is to be given a "new structure" as the result of a report by Napper Errington Collerton and Barnet, the *Newcastle* achitects and planners.

Structuring is an unusual term for a planning operation, but Whitehaven is unusual. It was the first completely new town to have been planned and built in this country *since* mediaeval towns such as Salisbury and Winchelsea. The plan was devised by Sir John Lowther some time after 1644, *who developed the village of 250* inhabitants *into* a coal port and shipbuilding town and harbour housing over 2,000 people.

Major land use

*He laid out the town as a rect*angular grid of roads with a central green space bounded by four principal streets containing the church. The land between the streets was divided into 15-feet wide plots on which buildings of all kinds, domestic, commercial, industrial and public, could be erected on one or more plots, with a proviso that buildings should not be erected below a certain height, should be regular in appearance, should be built as continuous terracing and that the rear portion of the plots should be left open. "Estates of inheritance" were granted "to such persons as were desirous to build houses . . . for very small and inconsiderable grounde rents."

As a result there remains, although subsequently much overbuilt, a renaissance industrial town in which practically no building is above three storeys in height and in which, as little as ten years ago, the major land-use in the central area was residential.

The population has now reached 27,000, but people are moving out, the unemployment rate is running at 7.6 per *cent.* (against the national average of 3.4 per cent.), the roads are congested, parking space is inadequate and there has been until now no concerted plan for revitalising the town.

The prospect has been changed by this exhaustive and thorough report and recommendations.

The object is to bring the town back to something of what it was *and to introduce facilities and* stimulation which will increase its amenities, attract investment from outside, and put it into a correct context with the West Cumberland region of which it forms a significant part.

Far from interfering with the basic layout and character of this possibly unique town, the aim is to build up the declining parts by reconditioning property and to re-arrange the use of roads so as to facilitate movement. In the words of the report, "to set up a *structure* or organisation of the town" through which the various pressures to which it is subject may be encouraged and accommodated, or eased.

From its inception in the 17th century the town was planned and developed *as* an integral organism. The centuries saw it continue to grow on the same basis until *it* reached its present *congested condition. The wisdom* of the present proposal lies in the *recognition* that over a *period* of years Whitehaven can be *patiently restructured while still* retaining its character and physical form.

MARKS & SPENCER EXTENSION

Marks and Spencer will open an extension at its Huddersfield store to-morrow. The sales area is being increased from 16,600 to 21,200 square feet.

Anti-noise programme has limited success

By Michael Donne, Aerospace Correspondent

SOUNDPROOFING of homes around Heathrow Airport as a means of reducing the problem of aircraft noise has not been particularly successful.

Among the people living around *Heathrow* who *qualify for grants* to help them soundproof their homes, about three-quarters know of the Government grant scheme but only half know that they themselves are eligible to receive grants and very few people have sought them.

This emerges as one of the main conclusions from the Second Survey of Aircraft Noise Annoy*ance round Heathrow*, conducted for the Social Survey Division of the Office of Population Censuses and Surveys, issued yesterday (SO, £2.20). The survey was carried out by Mil Research.

"Knowledge of the details of the (soundproofing) scheme, including the proportion of costs borne by the Government, was not high and opinion of it was that it was only *fairly good* or rather poor," says the survey. "It therefore appears that there is no widespread acceptance of a belief in soundproofing as an effective and pleasant solution to the problem of aircraft noise."

DATAPOST EARNINGS RISING

Datapost, the Post Office's guaranteed overnight delivery service, is earning well over £300,000 a year and by March the figure is expected to be £400,000 a year, said the Post Office yesterday.

APPOINTMENTS

ANZ Banking Group

Mr. Angus Mackinnon, a director of AUSTRALIA AND NEW *ZEALAND BANKING GROUP, is* to become a deputy chairman from September 1. He is a director of Brown Shipley and Co. and was chairman of that company from 1953 to 1963.

He replaces Mr. R. E. B. Lloyd who is resigning as deputy chairman because of pressure of other commitments but is remaining on the Board. Mr. Lloyd is chief *executive of Williams* and Glyn's Bank.

★

Mr. R. G. Glenn, secretary and investment manager of the NATIONAL MUTUAL LIFE ASSURANCE SOCIETY, has been *appointed* to the *Board.*

★

Mr. Ernest C. Doe has retired as chairman of ERNEST DOE AND SONS. He has been appointed life president of the company and retains his seat on the Board.

Mr. Alan E. Doe, who was appointed managing director in 1969, now succeeds his father as chairman.

Mr. Arthur V. Sansom, who joined the Board in 1969, has been appointed managing director.

★

R. A. BRAND AND CO. has appointed Mr. W. Grimshaw, Mr. P. R. Howitson and Mr. J. D. Scholes to the Board.

Mr. Scholes will become sales director. Mr. Grimshaw is manager of the Manchester division and Mr. Hewitson a northern sales executive.

★

Mr. C. T. Chapman has resigned as a director of DERRITRON and its subsidiary companies.

★

Mr. R. H. Barker has joined the Board of KNIGHT WEGENSTEIN as managing director and also becomes a director of Knight Wegenstein A.G., Zurich, the parent concern.

★

Mr. R. T. Barnfield has joined the Board of ASP CREDIT CONTROL. Mr. Barnfield is also a director of Stanway International Corporation of Chicago and deputy chairman of its U.K. subsidiary, Mead Fluid Dynamics.

★

Mr. Ronald F. Russ has been appointed managing director of ELECTRO MECHANISMS.

★

Mr. K. Ahmed has been appointed a director of ADAMS BUTTER. He continues as secretary.

★

Mr. K. W. A. Wright has been appointed director and general manager of the marketing division of CLARKSON INTERNATIONAL TOOLS. Mr. S. H. *Harrison* has been made a director of the company's Tap and Die division.

★

Mr. H. Mellor, the secretary, has been appointed a director of BHD ENGINEERS.

★

Mr. Peter F. Jennings has been appointed director and general manager of MOVITEX SIGNS. He *was previously export manager.*

★

The Devitt Langton and Dawnay Day Group has formed a new life and pensions company called HOWSON DEVITT (LIFE AND PENSION BROKERS) which will start trading on August 23. The directors are Mr. R. H. Devitt (chairman), Mr. J. R. Burns, Mr. J. D. Pettifer and Mr. P. R. Lawrence.

WALL STREET + OVERSEAS MARKETS

MONEY + EXCHANGES

Up another 10.9 in hectic trading

BY JUREK MARTIN

NEW YORK, August 17.

TO-DAY WAS a day of massive cut-and-thrust on Wall Street as the Stock Market tried to digest the enormity of its performaoce yesterday. After being held down earlier by some beavy profit-taking, the Dow Jones Iodustrial Average begen charging up again shortly after mid-day In hectic trading and, in spite of a persistent uodercurrent of profit-taking, managed to end the day at $99.20, up 10.95, only a little below the high for the session.

Volume waz the third-heaviest on record at 26.79m. shares, against the record of 31.72m. of yesterday.

It was very evident that the Stock Market still liked what it saw in President Nixon's Sunday night package. But it was also clear that there was to-day more factors at work within the marke than yesterday when the sheer psychological lif that Wall Street derived from Mr. Nixon's proposalssimply overwhelmed all other considerations and made the record day possible.

Enthusiasm was, nonetheless, atill the name of the game this morning. The scenes at the opening bell were almost as frantic as yesterday and trading, although lagging slightly behind yesterday'a levela, was by any standards incredibly heavy. In the first hour, when well over 6m. shares changed hands, the Dow Jones Industrial Average barely moved, partly because of sizeable profit-taking and partly because a number of stocks that comprise the Do wAverage simply did not open for trading.

When they did open, the upward march began again with a vengeance. General Motors, which had not been traded since Friday afternoon, eventually got under way shortly before noon at $85, pj $8¼: the effect of this alone was to give the Dow a lift of nearly five points. Ford (not part of the Industrial Average) also opened again for the first time since Friday at $67, up $4: American Motors, similarly suspended, opened at $8¼, up $1¾: Chrysler were equally active.

By the end of the day the "Big Four" car stocks were the most active of the NYSE—with GM up $9, Ford up $6 and Chrysler and American Motors (the most active of them all) each up $2.

The advance was again very broad-based, though not as comprehensive aa yesterday: shares gaining in price outnumbered decliners by not quite two-to-one (yesterday the ratio was an unbelievable 14-to-one), a tribute to the extent of profit-taking that was present to-day which, some analysts feel, may become more marked as the week progresses.

The stocks of Machine Tool companies, several of which also were not traded yesterday, were well ahead. These companies figure to benefit most from the restoration of the Investment Tax Credit.

The weaknesses were more or less the same as yesterday—the shares of some Fforeign companies, Gold Minings, International Oils (there were disturhing reports thet the cbange in the dollar's parity could lead to further complicate relations between the oil companies and the Arab oil producing nationzl and also some International Airline shares (again the result of fears that the change in the dollar'z parity might adversely affect international travell.

Utilities were also weak to-day. Their decline was probably the result of investors switching into Blue Chipz and "Glamours."

OTHER MARKETS

Canada lower

Canadian Stock Markets moved lower over a hroad front in moderaletrading yesterday. Golds fell 3.62 on index, Industrials 2.02, Western Oils 0.62 and Base Metla 0.46.

Supertest, however, tacked on $1¾. But Distillers-Seagrams eaaed $1¾. Walker-Gooderham fell $1¼, Peoples Department Stores lost $1½ and International Nickel also shed 51½.

GERMANY—Markets were weak in nervous trading, although the decline was slower than Monday'z. Some issues reduced losses on late sbort covering.

Hoechst, off DM3, led major Chemicals down, while Chemie-Verwaltung, Cassella and Glanzstoff declined in "secoodary" issues. AEG lost DM4 in Electricals. Banks also eased.

In Motors and Engineerings, Delmler fell DM11.5, Man DM10 and Linde DM7.

In Bonds, most Public issues gained slightly, but Foreign Mark Loans eased.

SWITZERLAND—Markets were zlightly lower in fairly active trading, although the undertone was somewhal more resistant towards tha close. But in some cases losses were more pronounced, particularly with BBC, CIBA-Geigy Bearer, Sulzer and Bearer shares of Nestle and Alusuisse. Swissair Bearer, however, firmed Frs.4. Banks and Inaurances were barely steady, while among little changed Fincials Interfood continued to decline.

State Bonds were quietly maintained.

There was again no trading in Foreign shares.

AMSTERDAM — Internationals closed barely steady, ignoring Wall Street's overnight firmness. Royal Dutch eased another Fls.1.8.

Plantations and Shipping were mixed, local Industrials weakened over a broad front, with Heineken down Fls.4, Oce-Van der Grinten Fls.6 and Albert Heijn Fls.3.5. Gist Brocades, however, rose Fls.2.5.

Banks were maintained, but Investment Funds edged lowzr and Insurances dipped.

State Loans eased.

BRUSSELS—Lower in nervous trading on monetary considerations, except for U.S. stocks and Ford Motor (Belgium), which firmed.

Among Belgian issues, Utilities were stable.

Ugine were well held in thz French section. Stilfontein rose slightly in otherwise weak Golds, while RTZ were unchanged.

PARIS—French equities moved lower over z broad front, reflecting international uncertainty. Export-oriented firms especially were down, as were some Oils after the OPEC warning that some oil prices calculated in dollars would be automatically adjusted in case of a parity change emerging.

Among stocks to decline were Citroen and Peugeot in Motors, Michelin in Rubbers, Aquitaine, Berre, Esso and CFP in Oils, CGE, LMT and Radiotechnique in Electricals, and also Saint-Gobain, Air Liquide, L'Oreal and Creusot Loire.

Trading in all Foreign stocks was suspended.

STOCKHOLM—Well maintained.

OSLO—Insurances, Industrials and Shippings were easy, while Banks were quiet.

VIENNA—Firm in quiet trading. Many Machinery shares were better. Semperit were depressed, due to the company's large U.S. exports.

German shares were weak but Dutch shares were well maintained.

COPENHAGEN — Market was very quiet.

TOKYO—Prices continued to decline heavily on selling by dealers fearing a yen revaluation. But the downturn eased a little towards the close. Volume 280m. (240m.) shares.

Export-oriented issues further declined sharply, as it was reported that the U.S. 10 per cent. import surcharge would severely affect Japan's exports.

Sony dropped Yen 575 to Yen 2,805, Matsushita Electric lost Yen 29 to Yen 441, Toyota Motor fell Yen 45 to Yen 330.

Some "Big Asset" issuea moderately recovered, as some dealers believed they would resist the impact of yen revaluation. Tokio Marine and Fire, and Sumitomo Marine and Fire each closed firmer.

Oils also recovered, with Showa Oil, Toa Nenryo and Mitsubishi Oil all up.

AUSTRALIA — All market sectors weakened in moderate pre-Budget trading.

CRA fell 38 cents to $7.77, Utah ahed 45 cents to $3.50, MIM shed 16 cents at $3.12, Hamersley gave way 18 cents to $3.18 and New BH came back 10 cents to $9.7.

Poseidon fell $1.50 to $21, Meekatharra dipped 16 cents to $1.12.

Activity in Oils fell away markedly and most issues sustained small losses.

Among Industrials, BHP came under selling pressure and dropped 55 cents to $12.67, Thiess were down 15 cents at $3. CAGA added 9 cents at $3.60.

JOHANNESBURG—Golds were weaker, affected by New York overnight and the closure of European Bullion Markets. The market was generally thin.

Diamonds and Financial Minings also were easier in sympathy with Golds. But Platinums were hid higher while other Metals were untested.

Collieries were dull and neglected, while Industrials were featureless in quiet conditions.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport ‡	Indus. *	Util. Φ	Trading volume† 000's
Aug.					
17 ...	70.35	226.62	899.90	114.42	26,790
16 ...	70.02	226.22	888.95	116.16	31,720
13 ...	69.92	214.23	856.02	113.02	9,960
12 ...	69.95	215.27	869.01	113.15	15,210
11 ...	69.86	208.26	846.68	112.38	11,670
10 ...	69.97	205.05	839.59	112.15	2,460
9 ...	70.15	206.12	842.65	111.93	8,110
6 ...	70.27	205.98	850.61	112.86	2,490
1971 High	71.98 (18/4)	232.76 (28/4)	950.82 (28/4)	128.39 (18/1)	—
Low	68.62 (4/1)	189.70 (14/1)	830.57 (14/1)	111.93 (9/8)	—

* All-time high 995.15 (9/2/66)
‡ All-time high 279.88 (7/2/69)
Φ All-time high 163.32 (20/4/65)
† Excluding bonds.

IND. DIVIDEND YIELD p.c.

Aug. 13	Aug. 6	Aug. 3 1970
3.74	3.75	4.40

N.Y. SE ALL COMMON INDEX

1971 High	1971 Low	Tues.	Mon.	Fri.	Thurs.	Wed.
57.76 (28/4)	49.73 (4/1)	55.27	54.67	52.86	56.05	52.28

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,693	924	546	223

1970/71	Tues.	Mon.	Fri.	Thurs.	Wed.
New Highs	76	61	11	10	6
" Lows	29	17	43	49	65

AMERICAN SE ALL STOCKS AVERAGE

1971 High	1971 Low	Tues.	Mon.	Fri.	Thurs.	Wed.
26.69 (25/4)	22.72 (4/1)	25.29	25.15	24.59	24.61	24.40
Volume (000's)		6,490	6,620	22.60	4,090	2,650

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
Aug. 17	116.43	99.99
" 16	106.92	98.76
" 13	105.46	95.68
" 12	105.83	96.00
" 11	104.29	94.66
" 10	103.60	93.54
" 9	102.99	93.53
1971 High	115.34 (28/4)	104.77 (28/4)
1971 Low	99.73 (4/1)	91.15 (4/1)

* 425 Industrials. † 425 Industrials, 50 Utilities and 25 Rails. (1941=10)

STOCK AND BOND YIELDS

	Aug. 11	Aug. 3	Aug. 12 1970
Industrial div. yield pc	3.04	3.06	3.67
Price-earning ratio	17.37	17.42	15.17
Long-term Govt. Bds. yield pc	6.21	6.28	6.95

MOST ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
American Motors	730,500	8¼	+2
Ford Motor	535,300	69	+6
Chrysler	485,500	32¼	+2
General Motors	454,500	85¼	+9
Pan. Amer. Air.	337,600	12	−1
General Electric	306,008	61½	+2½
RCA	230,205	36¼	+1
Occidental Petrlm.	220,700	16½	—
Textron	203,600	30¼	+½

TORONTO

INDUSTRIAL INDEX

Closed August 2

Aug. 17	Aug. 16	High 1971	Low 1971
174.49	175.32	185.24 (2/1)	173.04 (15/3)

MONTREAL

INDUSTRIAL INDEX

Aug. 17	Aug. 16	High 1971	Low 1971
181.29	183.38	188.89 (25/4)	176.30 (4/1)

COMBINED INDEX

Aug. 17	Aug. 16	High 1971	Low 1971
178.77	180.19	155.02 (20/4)	172.55 (22/2)

JOHANNESBURG

	Aug. 17	Aug. 16	High	Low
Industrials†	197.6	197.7	212.4 (19/6)	165.8 (3/11)
Golds†	82.6	84.0	89.3 (18/4)	73.7 (15/7)

(1968=100.) Source: Rand Daily Mail.

AUSTRALIA

MELBOURNE YIELD INDICES

Av'ge yield on 50 Leading Stocks	Aug. 12	Aug. 5	July 29
On Dividends	5.64	2.63	6.55
On Earnings	9.62	9.65	9.55

SYDNEY ALL ORD. INDEX

Aug. 17	Aug. 16	High 1971	Low 1971
466.54	476.04	516.51 (4/1)	466.54 (17/2)

TOKYO

NEW SE INDEX

Base=100 January 4, 1968.

Aug. 17	+ or −	Div. %	Yield %
122.49	−8.17	11.90	3.20

	High	Low
1971	208.19 (13/8)	148.83 (15/1)

EUROPE

	Aug. 17	Previous	1971 High	1971 Low
Belg'm (m)	103.32	105.40	108.74 (30/7)	92.18 (6/1)
France (bb)	77.1	78.1	79.2 (28/7)	74.8 (6/1)
Germany*	101.56	103.20	112.71 (23/2)	94.96 (6/1)
Holland (o)	119.5	120.6	128.0 (8/4)	112.6 (6/1)
Italy‡	(c)	50.36	60.09 (6/3)	48.94 (12/7)
Sweden (p)	277.50	276.30	292.71 (23/8)	245.71 (6/1)
Switz'l'd**	391.6	398.5	412.6 (10/9)	363.6 (4/1)

* Herstatt Index. ‡ Base amended to January 2, 1962, from December, 1950. **Swiss Bank Corporation Index base 100 December, 1958. (b) Basis 100 December 29, 1967. (c) Closed. (m) Base date amended from 1953 to 1963. (o) Adjusted now quoted on basis 1963=100 and no longer 1953=100. (p) Base date December 29, 1956. (bb) New index introduced by Paris Bourse Committee basis 1961=100.

Free supply of credit

Bank Rate 6% (April 1, 1971)

Credit was again in free supply in the Discount market yesterday, and the authorities sold an amount of Treasury bills described as "very large indeed," in order to absorb surplus funds. The sales were mainly to the Discount houses, and are understood again to have included some of very short date.

The ruling rate for day-to-day loans was never higher than 4½ per cent., though more may have been paid in some instances the very beginning. A level 4 per cent. was reached for so non-clearing bank money dur the morning, and levels as 22 2 per cent. were touched the afternoon, while balan were not always easy to place.

Aug. 17	Sterling certificates of deposit	Inter-bank	Local Authority deposits	Local Auth. negotiable bonds	Finance house deposits	Inter-company loans	Discount market deposits	Treasury bills⊕	Bank bills⊕	Fine trade bills
Overnight	—	3-4½	3-4	—	—	5¼-8¼	2-4⅜	—	—	—
2-days notice	—	—	4½-5	—	—	6-6⅜	—	—	—	—
†7-days or 7-days notice	—	4⅝-5	4¾-5⅛	—	—	5¼-6½	4¼-5	—	—	—
One-month	5⅜-5⅛	5¼-5⅞	5¼-5⅛	3.73-5.50	5½-5¾	5½	—	—	—	—
Two-months	5¾-5⅜	5⅞-5¾	5¼-5½	5.75-5.50	5¾-5⅞	5½-5⅝	—	5⅞	3⅞-5⅞	—
Three-months	5⅞-5⅞	5⅜-5⅞	5¾-5⅞	6.00-5.75	5⅞-6⅛	5½-5⅝	—	5⅞	5⅞-5⅞	6¼
Six-months	5⅞-5⅞	3⅞-5⅛	6-6⅛	6.25-6.00	6⅛-6⅜	6¾-7	—	—	5⅞-5⅞	6¼
Nine-months	6⅜-6¼	6¼-6⅜	6⅛-6⅝	6.36-6.26	6½-6¾	6⅞-7¼	—	—	—	—
One-year	6½-6⅜	6½-6⅞	6⅝-6⅞	6.40-6.36	6⅞-7⅛	7-8	—	—	—	—
Two-years	7½-7	6⅞-7¼	7¼-7⅞	7.15-7.00	—	—	—	—	—	—

EXCHANGES AND BULLION

The London foreign exchange market was again officially closed, bnt there were aome inter-bank dealings in most Continental centres, aod the following rates to the dollar were reported in London from these centres: Amsterdam Fls.3.43-3.47, Brussels Frs.48½-49½, Frankfurt DM3.37-3.40, Milan Lire603-613, Paris Frs.5.25-5.51, Stockholm Kr.5.15-5.16 and Zurich Frs.3.98-4.08. Leading rates in New York at the close showed the pound at about $2.47-2.48 (Monday's close $2.4238-2.2480), after quotationa had raoged early on between $2.42½ and $2.45, while Canadian dollars were at 99.33-99.43 U.S. cents (against Monday's closing level of 99.22-99.25). French francs at 18.28-18.37 (18.19-18.29), Swiss francs at 25.02-25.05 (25.00-25.03), and German marks 28.59-29.61 (29.53-29.56).

There were dealings in London in short-term Euro-dollars and certain other currencies. Day-to-day Euro-dollars ranged up to 35-50 per cent., but were around 10 per cent. to 30 per cent., according to settlement date, by the close. The one-month rate finished at about 10½-11½ per cent., the 3-month 8½-9½ per cent., the 6-month 8-9 per cent., and the 12-month 8¾-8¼ per cent. U.S. dollar certificates quoted were late-on around 12½-11½ per cent. for one-month, 10-8½ per cent. for 3-months, 9½-8¾ per cent. for 6-months and 8¾-8¼ per cent. for one-year. One-month and 3-month Euro-marks ended in the region of 5¾-6½ per cent., 6-month 6½-7 per cent. and 12-month 6¾-7½ per cent. One-month Euro-Swiss francs finished around 2-2½ per cent., 3-month 3½-4 per cent., 6-month 4½-5 per cent., and 12-month 4¾-5¼ per cent. From New York a premium of about 40-80 cents waa quoted on one-, three- and six-month forward sterling.

Gold dealings resumed in Zurich after lunch, aod $43.00-$43.50 an ounce was touched before a close at $41.95-43.15 (as Friday's close). The London market reopened with an afternoon fixing of $43 and after modest business ended at $42.85-43.25, compared with Friday's $42.95-43.15. New sovereigns were at $10.80-11, old at $12.90-13.30, and double Eagles at $68½-69½.

FOREIGN EXCHANGES

—AS AUGUST 13

EXCHANGE CROSS-RATES

—AS AUGUST 13

EURO-CURRENCY INTEREST RATES

—AS AUGUST 13

FORWARD RATES

OTHER MARKET RATES

OVERSEAS SHARE INFORMATION

Investment $ Premium 24½% (23¼%)

NEW YORK

RAILROADS

INDUSTRIALS, ETC.

PUBLIC UTILITIES

TRUSTS, BANKS & BONDS

TORONTO

MONTREAL

GERMANY

AMSTERDAM

OSLO

PARIS

BRUSSELS

SWITZERLAND

VIENNA

MILAN

TOKYO

Source: Nikko Securities, Tokyo.

STOCKHOLM

COPENHAGEN

AUSTRALIA

JOHANNESBURG

MINES

INDUSTRIALS

STOCK EXCHANGE REPORT

Equity buyers hold off awaiting currency solutions

Index down 5.1 at 404.2—Oils and Golds weak—Gilts good

ACCOUNT DEALING DATES

*First Dealings	Option Declarations	Last Dealings	Account Day
Aug. 9	Aug. 19	Aug. 20	Sept. 1
Aug. 23	Sept. 2	Sept. 3	Sept. 14
Sept. 6	Sept. 16	Sept. 17	Sept. 28

* "New time" dealings may take place from 9 a.m. three business days earlier.

London markets failed to be impressed by Wall Street's sparkling performance overnight and, after a slightly firmer start, prices of leading equities gave ground on small selling and lack of support. Basically, buyers are not willing to commit themselves until some firm proposals are made to solve the currency crisis and without this prop equities are proving sensitive to small selling by weak holders. The Financial Times Industrial Ordinary share index, up 0.6 at a special 9.30 a.m. calculation, showed a fall of 1.9 at 10.30 a.m., which was extended to 5.8 at 2.45 p.m. The closing loss of 5.1 at 404.2, although above the worst, was not indicative of any firm revival.

American attempts to negate the role of gold in the world's economy found reflection in Gold Mining shares, which recorded falls of up to 50p. Selling was not heavy, but lack of support left the Gold Mines index 2.3 down at 56.3, the biggest one-day fall since January, 1969. Oils also met with a heavy setback on fears that a fall in the value of the dollar will lead to price increases by the world's major oil exporting nations. BP led the way with a drop of 25p, while Burmah and Shell fell 20p and 15p respectively.

Gilts were resistant to the downward trend with buyers anticipating a move to lower interest rates after the currency crisis blows over. Bargains marked at 11,916 were only slightly down on Monday's 12,469, while the ratio of falls to rises in all F.T.-quoted industrials expanded to nearly two-to-one, compared with seven-to-four the previous day.

Gilts in demand

Some confident buying of British Funds, still on hopes of lower interest rates, led to further widespread gains ranging to ¾. The bigger rises were seen in the mediums. Gains in the longs were limited to ¼ after some disappointment that big buying of the long "tap" stock, Treasury 8¾ per cent. "A," led to a rise of only ¼ to 95¾ in the official buying price; the market price was also ¼ up at 95¾. Short-dated issues also met a good demand: outright buying and switching to go longer led to rises in this sector usually extending to about $\frac{3}{16}$. Low coupon stocks, however, were up to ⅜ better and the newcomer to the section, Treasury 6½ per cent., 1976, gained ¼ to 98¼. The official price of the short "tap," Treasury 6 per cent., 1975, was raised $\frac{1}{16}$ to 98¾. Corporation and other fixed interest stocks also moved higher, but Commonwealth issues were neglected. The recently-issued International Bank 8 per cent., 1976, improved ⅜ to 100⅝.

Heavy trading developed in the investment dollar market and the premium touched a high point of 24½ per cent. before easing slightly to a close of 24¼ per cent., a net rise of ¾. Dollar stocks were strong, but Japanese Euro-dollar bonds reacted sharply sustaining 30-point losses as in Komatsu 6¾ per cent. 1984, at $US165, and Hitachi 6¾ per cent. 1979, at $US122. Honda (E.D.R.) dropped 45p to 125p.

Insurances retreat

Following Monday's decline, Home Banks opened up to 8p better on the Wall Street advance but drifted down on small selling to close generally a shade easier on the day, although National Westminster ended 8p lower at 585p. Merchant Banks showed a dull bias, but Brown Shipley improved 15p to 465p. Composite Insurances and brokers generally retreated on small selling. Losses of about 8p were recorded by "Royals," 384p, Eagle Star, 424p, and Commercial Union, 445p. Among brokers, Leslie and Godwin dipped 11p to 405p and C. T. Bowring 10p to 446p.

On the bid situation, Truman Hanbury rose 7p to 459p; shares of the contenders, Watney Mann and Grand Metropolitan both shed 3p at 122p and 184p respectively. Whitbread firmed 2p to 80p following the chairman's annual statement.

Among Building issues, Travis and Arnold improved 5p to 133p, while Mitchell Construction, 255p, McNeil Group, 36p, and F. J. Reeves, 50½p were similarly better. Montagu L. Meyer, reflecting the chairman's optimistic statement, gained 3p at 56p, while Southerns-Evans added 2p at 90p on the improved profits and scrip issue proposal. Ibstock-Johnsen, however, reacted 4p to 119p ahead of to-day's interim results, while Bovis, 198p, and R. Costain, 174p also lost 4p.

After a reasonable turnover, ICI closed 6p lower at 318. Brent Chemicals rose 3p to 45p, while gains of 1½p were seen in British Tar Products, 31½p, and Albright and Wilson, 27½p, the last-mentioned ahead of the interim statement due in about a fortnight.

Philips Lamp down

Leading Electricals held steady in a reasonable turnover. Philips' Lamp, however, easier at 600p at the House close, came back further "after-hours" on the fall in second-quarter profits to end 27p down on balance at 588p. British Relay, reflecting the passing of the final dividend, were finally 5½p lower at 42½p, after touching 40½p. Still on the U.S. 10 per cent. import surcharge, BSR dipped anew to close 15p cheaper at 329p, after 325p, making a two-day fall of 34p. Thorn receded another 5p to 397p and Decca "A" lost 6p to 178p.

Leading Stores held reasonably steady in quiet trading. Dixons Photographic were 2p easier at 84p ahead of to-day's results, while J. Collett shed 2½p to 62p following the Lyon Group's denial of any intention to inject any of its property interests into the company. In contrast, Abern Services advanced 6p to 54p, while P. Kunick picked up 2p at 17p, the latter's results are expected on Thursday. Mail Orders were dull.

Following the new agreed offer from Drakes, Norvic were 1p cheaper at 64½p, in sympathy with the former which ended 7p easier at 188p. Stylo were 2p easier at 61½p.

Engineerings were basically easier from the opening. Exceptionally, Tube Investments moved ahead quickly to 452p before reacting to 440p and closing with a net 2p loss at 442p. Guest Keen gave up 7p further at 385p and Ransomes Sims came back 9p at 127p. Daniel Doncaster, 47p, and Ernest Scragg, 40p, were both around 5p lower. Hattersley Stelrad fluctuated between 176p and 168p, but ended 4p easier at 171p, despite the good results. Helped by the chairman's statement, Mining Supplies gained 10p at 155p. In Machine Tools, Alfred Herbert came on offer and closed 3p down at 55½p.

Bovril active

Bovril attracted quite a good turnover and ended 3p off at 470p, after 478p; news that the Rowntree Mackintosh offer had been extended came well after market hours. Rowntree Mackintosh hardened 2p to 505p, while Cavenham held steady at 99p. Adams Butler responded to the higher profits with a gain of 3p at 23p and Robertson Foods were 2p better at 97p. In generally lower Supermarkets, William Morrison, 60p, and Tesco, 68p, fell 3p and 1½p respectively.

Savoy "A" improved 4p to 333p, but Curzon House were again dull at 175p, down 10p.

Rank Organisation "A" made fresh headway at the outset to 900p, but profit-taking clipped the price back to 890p for a net loss of 2p; the Ordinary reacted 15p to 805p. Broken Hill Proprietary, following Monday's loss of 21p, retreated further to 572p, down 11p, still on the auditors' qualification of the company's 1970-71 accounts. Other dull spots included Beecham, 4p off at 324p, and Unilever, 6p lower at 333p. Mono Containers met profit-taking and lost 7p to 88p; an after-hours statement from the Board denied that talks were in progress which might lead to an offer. E. Wardle shed 1p to 17½p on the first half-year setback. On the other hand, A.W. (Securities) gained 1½p to 39p on the report of further progress in the first quarter. New peaks for the year were attained by Price and Pierce, 10p up at 475p, Powell Duffryn, 7p higher at 142p, and Marshall's Universal, 5p up at 160p.

Despite the company's reassuring statement about U.S. exports, British Leyland lost 1½p further to 42p. Components, too, were easier, with Dowty 5p lower at 119p and Dunlop 3p off at 139p. Zenith Carburetter "A" gave up 4½p at 72½p on news of the short-time working. Garage/Distributor shares, however, continued to benefit from Press comment; Caffyns rose 6p to 123p, Martin Walter 4p to 79p and Godfrey Davis 3p to 151p. In Commercial Vehicles, Peak Trailers were aided by comment on the preliminary figures and regained 3p at 44p. Profit-takers and export worries left Hawker Siddeley 10p down at 211p, after 209p.

Properties resistant

Selected Properties were still in demand including Imry, up 15p at 220p, and Hammerson "A," another 10p higher at 490p. U.K. Property were also 10p to the good at 210p after the preliminary results, while Press comment helped Land and General "A" harden 1p to 22p. Centrovincial gained 7p at 80p and Argyle Securities 4p at 69p, but profit-taking brought Amalgamated Investment down 13p to 333p. Selling of a similar nature lowered Grendon 6p to 86p and Star 5½p to 212p.

Leading Papers lost as much as 4p as in Bowater, 151p, and Reed International, 217p. Waddington "B," however, continued higher on small buying interest to close 6p up at 232p. David S. Smith recovered 3p at 45p.

Oils weak

Fears that the Organisation of Petroleum Exporting Countries would raise its prices if the value of the dollar falls caused persistent nervous selling of Oil shares. Buyers were very scarce and, as a result, prices ended at the day's lowest with British Petroleum 25p down at 590p. Burmah dropped 20p to 432p, with the Warrants 8p down at 150p, and Shell came back 15p to 394p. Royal Dutch closed ½ lower at £20¾ and Ultramar 16p off at 266p.

Trusts were better for choice on consideration of the U.S. content of their portfolios. First Investors American Trust closed 25p up at 375p and Stanhope Trust 45p firmer at 625p. Constellation Investments, 18½p, and "A," 34p, were both around 1p easier in line with the bid terms from Jessel Securities.

Shippings lost a little ground during a small day's business. Isle of Man Steam, however, were quite active and rose 5p to 128p.

Dull spots were again in the majority in Textiles under the lead of Courtaulds at 124½p, down 2½p. Joseph Dawson Ordinary and "A" shares slipped 3p and 2p respectively to 36p. The chairman's confident statement in the full report left Textured Jersey 2p harder at 135p.

"Bats" became a steadier market and, at 343p, picked up 2p of the previous day's drop of 12p. "Imps," on the other hand, gave up 1p more at 89p.

Rubbers became quiet and often closed a shade easier. Teas occasionally hardened in idle trading. McLeod Russel ended 1p better at 103p on the increased dividend and profits.

Weakness in Golds

Although there was no great selling pressure, Gold shares suffered a severe bout of weakness. Sentiment, already uneasy in the light of the losses in U.S. Golds on Monday, was further shaken by Mr. Paul Volcker's opinion that the role of gold in the international monetary system was diminishing and the subsequent uninspiring course of the bullion price in resumed dealings on the free market.

Share prices retreated throughout the list. Among the heavier-priced stocks, losses extended to 50p in West Wits at 840p. West Driefontein dropped 45p to 935p and WRIT came back 40p to 830p. Buffels (220p) and East Driefontein (172p) each lost 15p while Kloof were 14p down at 264p and St. Helena fell 30p to 540p.

Financials were swept along with the tide, the gold-oriented Rand Selection losing 30p to 630p. De Beers came back 7p to 202p.

Australians lost further ground in line with the overnight trend "down-under." Still overshadowed by the lower profits—and despite the slightly increased dividend—Peko-Wallsend fell 10p to a 1971 low of 370p. Meekatharra's progress report was followed by a further loss of 10p to 55p.

Elsewhere, Botswana RST were another 10p off at 230p in front of the latest statement on the Selebi-Pikwe project.

FINANCIAL TIMES STOCK INDICES

	August 17	August 16	August 13	August 12	August 11	August 10	A year ago
Government Secs.	75.39	75.18	75.13	74.68	74.57	74.11	70.35
Fixed Interest	74.56	74.56	74.51	74.25	74.10	73.99	72.12
Industrial Ordinary*	404.2	409.3	412.6	408.6	402.9	393.3	336.7
Gold Mines	56.3	58.6	58.1	58.1	57.7	58.6	49.9
Ord. Div. Yield (a)	3.78	3.73	3.71	3.72	3.76	3.84	4.95
Earnings Yield (a)	5.90	5.83	5.80	5.80	5.87	6.00	6.77
P.E. Ratio (a)	16.95	17.14	17.26	17.23	17.04	16.68	14.80
Dealings Marked	11,916	12,469	11,590	11,775	9,947	11,564	7,669

*10.30 a.m. 407.4 Noon 404.7 2.45 p.m. 403.5

(a) Based on 40% corporation tax from March 30, 1971. Latest Index [illegible]

HIGHS AND LOWS

	1971 High	1971 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	75.74 (16/7/71)	68.83 (4/1/71)	127.4 (9/1/35)	64.21 (11/6/69)
Fixed Int.	74.77 (16/7/71)	69.63 (4/1/71)	150.0 (28/11/47)	67.12 (11/6/69)
Ind. Ord.	413.2 (27/7/71)	305.3 (3/3/71)	531.9 (13/9/68)	49.4 (26/6/40)
Gold Mines	61.3 [illegible]	52.3 [illegible]	100.0 [illegible]	44.0 [illegible]

S.E. ACTIVITY

	August 17	August 16
Daily—		
Gilt-Edged	197.1	159.6
Industrials	427.3	461.1
Speculative	179.0	193.1
Totals	271.2	283.8
5-day av.—		
Gilt-Edged	161.0	158.5
Industrials	417.5	417.1
Speculative	163.0	165.6
Total	262.7	261.5

Basis 100 Govt. Secs 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942.

AMBUCO JOINS ENVIROTECH

Ambuco, of Croydon, air pollution control specialists, became part of the Envirotech Corporation, in London yesterday. This followed an agreement between Envirotech and Ambuco's previous owners, Consolidated Gold Fields.

"GOING METRIC"

The Metrication Board's touring exhibition will be at the Building and Design Centre, Portland Street, Manchester, from September 28 to October 14 inclusive. The exhibition, "Going Metric," is primarily intended for industry, but is designed to appeal to everybody.

AUTHORISED UNIT TRUSTS (p★★★)

OFFSHORE AND OVERSEAS FUNDS (p★★★)

		§	Yield %
Albany Management Co. Ltd. Utility Hs. PO Box 463, Hamilton, Bermuda			
Albany Fund Ltd.	£5.00	£5.39	1.00
American Express Inv. Mngmt. Co. 154, Edward St., Brighton, U.K. 2RL 685411			
Am. Ex'ss. Int. Fd.	$8.91	2.49 +0.22	—
Anchusa Co. Ltd. P.O. Box 185, Hamilton, Bermuda.			
JapanGr'wth Fnd	US$9.88	10.48	—
Do. Do. Stg. Tst.	21.0	97.0	—
Australian Selection Fund N.V. Lond. Agent Southern Cross Mngmt., Ltd. 65, London Wall, E.C.2. 01-638 0901			
U.S. $10 Shares	US$6.80		—

Next subscription day Aug. 19.

		§	Yield %
Eurosyndicat Group			
Eurunion Lux F.	1,880	1,061 −7	3.21
Finance Union Lux F.	515	530 +6	3.17

For Sterling Dealing Prices contact London Agents N. M. Rothschild & Sons, Ltd., 626 4356, Hill Samuel & Co. Ltd. 628 8011.

		§	Yield %
Fidelity Mangnt. & Research Co. Boston, Massachusetts.			
FidelityTrend Fd.	$24.75	27.05 +1.25	2.25
Do. Capital Fd.	$18.25	15.59 +0.79	2.61
Fidelity Mangment. and Research (Bermuda) Limited			
Fidelity Int. Fnd.	$14.70		—
FidelityP'cific Fd.	$11.58	−0.66	—

For additional information contact Julius Baer International Ltd. 38, Mincing Lane, E.C.3.

		§	Yield %
Investors Diversified Services Bertigny 9, Fribourg C.H. Tel. 2-25-201.			
CARIBICO N.V.	$10.60	+0.26	—
Save & Prosper Distributors Ltd. P.O. Box 1414, Hamilton, Bermuda.			
Dollar Fund	£4.85	5.30	—
Hampstead	£6.37	6.96 −0.52	—
Monitor	£4.49	4.91	—

INSURANCE, PROPERTY, BONDS

STOCK EXCHANGE DEALINGS from the Official List for August 17

Tuesday, August 17	11,916	Friday, August 13	11,590	Wednesday, August 11	9,947
Monday, August 16	12,469	Thursday, August 12	11,775	Tuesday, August 10	11,664

The list below gives the prices at which bargains done yesterday by members of the London Stock Exchange were recorded in the Stock Exchange Daily Official List. Members are not obliged to mark bargains except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business was done.

Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in new pence and fractions of new pence.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ⊕ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS, ETC. (869)

INTERNTL. BANK STOCK (2)

CORPN. & COUNTY—U.K. (145)

PUB. BOARDS, ETC.—U.K. (11)

COMMONWEALTH GOVT. AND PROVINCIAL SECURITIES (37)

COMMONWEALTH CORPN. STOCKS (2)

FOREIGN STKS., BDS., ETC. (14)

CORPN. STKS.—FOREIGN (4)

U.K. AND COMMONWEALTH RAILWAYS (11)

FOREIGN RAILWAYS (2)

BANKS & DISCOUNT COS. (388)

BREWERIES & DISTILLS. (428)

CANALS & DOCKS (9)

COMMCL., INDUSTRIAL (6,737)

A—B

Brooke Bond Liebig A (25p) 110. B (25p) 76½⊕ 7½ 7 6½. 7pcCnv.Uns.Ln. (17 (8. 5¼pcDb. 70½⊕. 7¼pcUns.Ln. 78¼ 6 ½
Brooks Vantilution Units (20p) 55 3 4
Brotherhood (Peter) (50p) 108
Brown Brother Albany (20p) 152. 8½pc Cnv.Uns.Ln. 170
Brown (John) 152
Brugnig Grp. (25p) 89⊕. 8pcCuv.Uns. Ln. 80⊕
Bryant Hldgs. (25p) 53
Bullough Securities (20p) 89⊕ 9 8 7
Bulmer Lumo (Hldgs.) (20p) 321⊕ 4½

C—D

E—F

Federated Stores (R0.50) 168⊕
Feedex (10p) 48
Fanner (J. H.) (Hldgs.) (25p) 192. Do. A N-vtg. (25p) 160
Ferranti 7pcPf. 62½⊕
Ferro Metal und Chem. Corp. (20p) 79
Fine Art Devpmnts. (5p) 20
Finlan (John) (10p) 190⊕
Finlay (James) 256⊕
Finlay (Wm.) (Belfast) (5p) 18½ 18
Firth Cleveland (20p) 131
Fisons 294⊕ 3 9 6 4½
Fitch Lovell (20p) 94 3½ 3
Flavel (Sidney) (20p) 60

G—H

I—J—K

Laird Group (25p) 28½ 9 8. 8pcUnsec. Ln. 66
Lake Elliott (50p) 102
Lambert Howarth Group (20p) 56 5
Lamson Industs. (25p) 96⊕
Lancaster Carpets Engg. (25p) 260 1
Lankro Chemicals (25p) 180
Laporte Industs. (Hldgs.) (50p) 91½⊕ 87⊕ 9⊕ 9 8 90 88½ 7½
Lawdon New 62
Lead Industs. Group (50p) 115⊕ 15
Lebus (Harris) 21⊕ 3. 4pcPf. 29

L—M

N—O—P

Q—R—S

R.F.D. Group (10p) 21½⊕ 20½
R. K. 7. Textiles (10p) 52⊕
Racal Electronics (25p) 128 9 ½. New 120 ½. 6pcLn. 110 15 16
Radley Fashions Textiles (25p) 64⊕ 20 60⊕ 59⊕ 62 3 60
Rama Eng. Indust. (5p) 12
Rakusen (L.) (10p) 15 16½
Ramar Textiles (5p) 10½⊕
Randall (J. L.) (10p) 29½ 8½
Randalls Group (25p) 88

T—U—V

W—Y—Z

FINANCIAL TRUSTS, ETC. (326)

GAS (25)

INSURANCE (312)

INVESTMENT TRUSTS (648)

UNIT TRUSTS (10)

IRON, COAL & STEEL (96)

MINES

Australian (54)

Miscellaneous (115)

Rhod. & E. African (33)

South African (335)

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F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and the Faculty of Actuaries in Edinburgh

EQUITY GROUPS

GROUPS & SUB-SECTIONS

Figures in parentheses after sectional names show number of stocks.

GROUPS & SUB-SECTIONS	Tuesday, August 17, 1971 Index No.	Day's Change %	With 40% Corporation Tax Est. Earnings yield %	Est. Price/Earnings Ratio	Div. yield %	Mon. August 16 Index No.	Friday August 13 Index No.	Thurs. August 12 Index No.	Wed. August 11 Index No.	Year ago (approx.) Index No.	1971 High	1971 Low	Since compilation High	Since compilation Low
CAPITAL GOODS GROUP (184)	153.83	−0.8	6.12	16.34	3.86	153.08	166.02	154.80	152.97	117.75	152.62 (28/7)	104.05 (2/5)	121.50 (19/9/68)	82.82 (25/6/62)
Aircraft and Components (3)	109.52	−3.6	7.48	13.38	5.70	113.88	116.32	115.71	111.54	95.12	116.32 (15/8)	66.40 (3/3)	280.12 (22/9/68)	66.40 (3/3/71)
Building Materials (29)	156.35	—	5.03	18.89	3.43	155.41	156.69	154.47	152.10	92.69	157.94 (25/7)	98.30 (2/3)	167.98 (20/9/68)	85.01 (25/6/62)
Contracting and Construction (19)	233.14	−0.7	5.86	17.05	2.58	234.70	236.35	255.50	251.52	192.07	256.56 (15/8)	152.65 (26/5)	236.35 (15/6/71)	84.39 (27/6/62)
Elctrls. (ex. Electrn. Rad. & TV) (13)	270.30	−1.5	6.17	10.33	3.05	274.70	274.11	270.66	265.86	183.40	283.44 (27/7)	174.23 (2/3)	335.11 (17/9/68)	84.71 (25/6/62)
Engineering (80)	143.55	−0.8	6.68	14.98	4.34	144.30	146.33	145.70	144.56	114.90	149.28 (22/7)	102.56 (2/3)	160.85 (19/9/68)	82.90 (26/6/62)
Machine Tools (15)	65.86	−1.6	7.33	13.66	6.17	66.02	68.30	67.49	67.06	65.07	68.30 (13/8)	43.86 (15/5)	136.70 (4/7/68)	43.66 (5/3/71)
Miscellaneous (25)	128.38	−0.7	7.98	12.54	4.49	129.32	129.88	128.54	127.27	115.35	134.65 (2/7)	94.19 (2/3)	144.27 (31/1/69)	69.01 (8/11/65)
CONSUMER GOODS (DURABLE) GROUP (56)	168.46	−1.2	6.24	10.09	5.09	170.49	171.85	170.31	168.40	128.58	173.85 (21/7)	117.33 (2/3)	197.87 (15/1/69)	70.96 (26/6/62)
Electronics, Radio and TV (14)	178.55	−1.0	5.68	17.52	2.46	180.15	121.04	180.56	178.10	142.42	180.45 (22/7)	128.51 (2/3)	199.86 (19/9/68)	71.10 (8/11/66)
Household Goods (15)	186.48	−0.1	6.21	15.10	5.55	185.71	187.23	125.72	182.73	122.72	189.00 (28/7)	115.92 (8/3)	189.00 (28/7/71)	86.65 (26/6/62)
Motors and Distributors (27)	114.86	−1.7	4.42	22.65	3.71	116.80	118.39	116.59	115.56	86.21	120.55 (21/7)	78.01 (2/2)	170.59 (16/1/69)	75.82 (24/10/62)
CONSUMER GOODS (NON-DURABLE) GROUP (175)	160.58	−0.4	5.59	17.88	3.80	161.25	163.04	160.65	159.06	115.55	164.68 (16/7)	118.17 (6/4)	164.68 (16/7/71)	83.71 (8/11/66)
Breweries (21)	126.19	+0.1	5.59	19.55	5.43	125.03	188.62	181.00	180.06	117.62	194.97 (15/7)	125.30 (4/1)	194.97 (15/7/71)	80.39 (30/8/66)
Wines and Spirits (7)	167.55	−0.8	6.22	16.07	4.17	169.04	176.22	170.12	168.50	130.86	196.05 (14/7)	142.41 (4/1)	196.05 (14/7/71)	118.78 (15/6/70)
Entertainment and Catering (15)	201.00	−0.9	7.10	14.09	3.85	203.49	204.73	200.98	198.22	167.52	214.39 (15/7)	177.99 (2/3)	251.89 (21/1/69)	80.11 (25/7/62)
Food Manufacturing (24)	142.98	−0.7	5.65	17.76	3.80	144.01	145.83	143.61	145.10	103.98	144.01 (16/8)	99.74 (2/3)	171.54 (31/1/69)	95.98 (15/6/70)
Food Retailing (17)	141.06	−1.0	0.35	18.68	3.58	142.50	142.61	140.96	137.29	98.14	142.61 (13/8)	100.25 (2/3)	155.62 (7/6/68)	94.62 (27/6/70)
Newspapers and Publishing (15)	141.12	−0.1	6.08	12.44	6.05	141.27	141.42	140.74	130.29	105.90	142.39 (22/7)	101.66 (13/1)	184.86 (28/1/69)	81.74 (25/7/62)
Packaging and Paper (16)	116.49	−0.2	8.59	14.94	4.49	115.75	116.66	115.46	114.48	101.56	120.10 (27/7)	88.91 (2/3)	134.63 (21/1/69)	87.91 (25/6/62)
Stores (30)	152.94	−0.1	4.45	22.47	3.04	152.94	164.21	152.95	150.77	100.12	160.64 (27/7)	104.48 (2/3)	160.64 (27/7/71)	72.74 (2/11/66)
Textiles (21)	170.36	−0.9	5.91	17.23	5.30	171.88	173.68	172.19	170.78	131.52	177.77 (28/7)	157.81 (2/3)	253.72 (17/9/68)	99.90 (20/7/62)
Tobacco (3)	233.88	−0.9	8.11	10.99	5.69	236.04	242.09	241.85	269.77	198.91	254.47 (27/7)	170.92 (20/1)	505.02 (30/1/69)	94.34 (13/6/62)
Toys and Games (6)	49.33	−2.0	—	—	5.17	50.34	49.49	49.10	48.87	53.84	60.03 (12/1)	46.48 (4/8)	135.72 (16/1/70)	45.48 (4/8/71)
OTHER GROUPS														
Chemicals (19)	187.98	−0.0	6.38	18.86	3.50	189.66	191.70	181.09	188.29	156.50	195.39 (22/7)	138.19 (10/2)	201.99 (31/1/69)	83.29 (26/6/62)
Office Equipment (10)	203.80	−0.1	3.43	29.15	1.47	204.08	196.70	196.29	188.77	130.16	212.06 (16/7)	153.62 (15/2)	212.05 (16/7/71)	109.12 (26/5/70)
Shipping (10)	315.59	−1.0	7.47	15.59	5.23	319.67	320.32	518.44	316.64	311.28	525.75 (1/4)	269.76 (16/4)	566.44 (9/10/70)	90.80 (29/6/62)
Miscellaneous (unclassified) (44)	190.55	−0.2	6.95	16.80	5.92	180.77	184.02	192.90	191.81	129.12	190.55 (27/7)	128.56 (2/5)	190.33 (27/7/71)	76.53 (8/11/66)
INDUSTRIAL GROUP (498 SHARES)	166.52	−0.6	5.69	17.80	3.65	167.55	168.92	167.25	165.26	—	170.96 (27/7)	120.61 (2/3)	170.96 (27/7/71)	120.61 (2/3/71)
Oil (2)	540.79	−5.9	5.94	15.95	5.66	354.40	356.48	356.48	551.51	261.26	363.60 (27/7)	260.74 (2/3)	431.66 (29/10/68)	97.23 (28/6/62)
500 SHARE INDEX	191.33	−1.1	6.87	17.64	3.66	183.30	194.82	185.28	181.02	154.07	187.27 (27/7)	132.46 (2/3)	193.73 (31/1/69)	84.96
FINANCIAL GROUP (121)	171.54	−0.6	—	—	2.78	172.49	173.66	172.19	168.95	109.49	173.44 (28/7)	119.75 (10/2)	176.44 (28/7/71)	69.38 (30/8/65)
Banks (6)	182.88	−0.5	7.54	13.86	2.78	183.63	186.51	185.34	182.15	101.10	199.94 (27/7)	101.65 (6/1)	189.94 (27/7/71)	69.25 (16/6/64)
Discount Houses (6)	174.25	+0.1	—	—	4.43	174.07	174.07	174.07	173.68	117.35	176.87 (27/7)	130.72 (6/1)	176.97 (27/7/71)	87.56 (18/6/69)
Hire Purchase (6)	260.02	+0.4	4.82	80.77	8.95	259.02	260.17	257.18	250.90	165.45	266.59 (19/7)	188.57 (18/1)	266.59 (19/7/71)	80.02 (3/8/66)
Insurance (Life) (9)	152.71	−0.8	—	—	2.84	153.97	153.71	150.94	143.05	116.87	155.17 (16/7)	123.15 (18/1)	159.83 (16/1/69)	61.36 (30/8/66)
Insurance (Composite) (9)	129.86	−1.5	—	—	3.29	131.85	132.82	133.01	131.51	70.08	134.50 (28/7)	89.80 (10/2)	134.50 (28/7/71)	64.40 (16/3/65)
Insurance (Brokers) (10)	168.55	−2.4	5.20	19.26	8.68	172.86	174.00	172.72	171.57	101.76	179.06 (22/7)	118.27 (4/1)	179.06 (22/7/71)	82.59 (24/7/69)
Investment Trusts (20)	106.50	+0.5	8.80	34.55	2.69	196.51	197.31	194.48	191.10	141.81	188.14 (16/7)	152.16 (2/3)	215.04 (31/1/69)	80.84 (26/6/62)
Merchant Banks, Issuing Houses (15)	180.08	−1.0	—	—	8.26	170.86	170.71	169.42	157.26	113.92	173.43 (20/7)	108.44 (15/3)	191.25 (14/2/69)	50.47 (15/7/65)
Property (31)	221.30	+0.1	2.63	38.07	2.17	221.18	219.94	817.15	214.95	137.14	221.30 (17/8)	139.37 (8/3)	221.30 (17/8/71)	66.01 (20/4/65)
Miscellaneous (9)	170.75	−0.4	8.07	15.74	4.38	171.41	172.80	172.54	171.85	—	179.01 (27/7)	120.73 (4/1)	179.01 (26/7/71)	120.08 (31/12/70)
ALL-SHARE INDEX (621 SHARES)	178.79	−1.0	—	—	5.44	180.58	181.86	180.42	177.81	127.92	183.66 (27/7)	128.47 (2/3)	183.66 (27/7/71)	83.72 (25/6/62)
COMMODITY SHARE GROUPS *(Not included in the 500 or All-Share indices)*														
Rubbers (10)	219.84	−2.2	10.45	9.67	8.06	223.81	227.98	828.47	234.12	137.57	854.12 (11/8)	183.62 (7/4)	234.12 (11/8/71)	84.68 (25/8/65)
Teas (10)	89.86	+0.1	16.54	6.05	8.94	89.74	89.80	88.47	89.26	73.18	81.08 (15/7)	78.71 (3/3)	114.84 (14/6/64)	59.96 (14/11/66)
Coppers (4)	387.03	−0.4	54.18	1.85	16.07	320.18	627.32	328.10	328.68	269.66	350.50 (12/7)	235.80 (21/1)	350.50 (12/7/71)	04.08 (29/4/62)
Mining Finance (11)	89.47	−3.3	5.69	17.67	3.43	102.01	103.94	102.56	102.15	117.64	106.79 (6/7)	96.00 (2/5)	175.80 (28/4/69)	96.00 (2/5/71)
Tins (8)	72.74	+0.4	10.91	8.16	8.63	78.44	72.15	71.37	70.21	00.33	74.77 (20/7)	62.11 (4/1)	108.97 (29/8/66)	54.83 (27/5/70)

FIXED INTEREST

FIXED INTEREST	Tuesday, August 17 Index No.	Yield %	Monday August 16	Friday August 13	Thurs. August 12	Wed. August 11	Tuesday August 10	Mon. August 2	Year ago (approx)	1971 High	1971 Low	Since Compilation ‡High	Since Compilation Low
Consols 2½% yield	—	0.15	8.19	9.18	9.86	8.36	9.43	0.43	0.25	—	—	—	—
20-yr. Govt. Stocks (6)	70.65	‡8.16	79.55	79.47	78.84	78.40	78.11	78.35	73.26	80.68 (16/7)	70.60 (4/1)	115.42 (11/9/63)	68.43 (15/6/70)
20-yr. Red. Debentures & Loans (15)	78.31	‡10.21	72.24	72.24	72.03	72.03	78.01	71.99	71.16	72.44 (19/7)	68.42 (4/1)	113.43 (23/10/63)	66.59 (16/6/70)
Investment Trusts Prefs. (15)	70.01	10.55	68.86	68.85	68.86	68.96	68.96	68.96	71.60	70.01 (17/8)	66.23 (11/1)	114.41 (13/9/65)	66.23 (11/1/71)
Commercial and Industl. Prefs. (20)	74.14	10.41	‡74.15	74.25	74.09	73.98	74.16	74.18	75.00	74.45 (6/8)	68.08 (13/1)	114.41 (7/10/63)	68.02 (13/1/71)

...ction or Group	Base Date	Base Value
... Manufacturing	29/12/67	114.13
... Retailing	29/12/67	114.13
...rance Brokers	29/12/67	96.67
...ng Finance	29/12/67	100.00
...es and Spirits	16/1/70	144.76
... and Games	16/1/70	135.72
... Equipment	16/1/70	162.74
...strial Group	31/12/70	128.20
Miscellaneous Financial	31/12/70	120.06
All Other	10/4/62	100.00

‡ Redemption yield.

F.T.-Actuaries indices are calculated by Extel-Communications Limited (a member of the Exchange Telegraph Group) on an IBM 360 computer.

A current list of constituents of the F.T.-Actuaries Share Indices can be obtained from the Publisher, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By post inland 16p. Commonwealth 16p. Foreign 19p.

West African (9)

Diamond (63)

Oil (348)

PROPERTY (511)

SHIPPING (152)

TEA & COFFEE (26)

TRAMWAYS & OMNIBUS (5)

WATERWORKS (17)

SPECIAL LIST

AUGUST 17 (2)

RUBBER (84)

RULE 163 (1) (e)

Bargains marked under Rule 163 (1) (e) in securities for which quotation has not been granted and which are not recorded in the Official List.

AUGUST 17

CORAL INDEX

Close 401-406

Option Report and three-month "Call" rates

OPTION DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Aug. 17	Aug. 31	Nov. 11	Nov. 23
Sept. 1	Sept. 13	Nov. 25	Dec. 7
Sept. 14	Sept. 27	Dec. 9	Dec. 21

There was a moderate increase in business yesterday in the Option market at the start of the new Option account. "Calls" were arranged in Plessey, Poseidon, Oil Search, Rank Organisation "A," "Casts," BSA, Aaronson Bros., Barclay Securities, Charlwood Alliance, Cannon St. Investments, Tube Investments, Woolworth, Pleasurama, GRA Property Trust, Star (G.B.), Charterhall Finance, Smith and Nephew, Ralli International, Thorn Electrical "A," and Kloof Gold.

No "puts" were reported, but double options were completed in Rank Organisation "A," Cannon St. Investments, Burmah Oil, British Petroleum and Blyvoor.

Prices in pence unless otherwise indicated

Industrials							
A. P. Cement	18	G.U.S. "A"	22	Reed Intl.	12	**Mines**	
Barclays Bank	35	Guardian	14	Slater Walker	20	Anglo Amer.	25
Beecham	19	Guest Keen	20	Tesco	5	Broken Hill Prop.	52
Boots Drug	11	Hawker Sidd.	20	Thorn 'A'	25	Charter Cons.	22
Bowaters	15	Hay's Wharf	20	Tube Invs.	25	Charterhall Fin.	6
B.A.T.	20	House of Fraser	17	Unilever	20	Cons. Gold	20
British Leyland	3	I.C.I.	15	Utd. Drapery	15	De Beers Def.	16
British Oxygen	5	"Imps"	6	Vickers	7	F. S. Geduld	52
Burton "A"	15	I.C.L.	20	Woolworth	5	Great Boulder	20
Butlin's	3	Int. Stores	7			Hampton Areas	15
Cadbury's	7	Inveresk Paper	6	**Property**		Hampton Props.	8
Courtaulds	10	Jessel Secs.	25	Cap. Counties	12	Kloof	20
Cunard	13	Legal&General	22	Land Secs.	12	Lonrho	10
Debenhams	14	Lloyds Bank	35	Peachey	7	Loraine	5
Distillers	11	"Lofs"	7	Star. (Gt. Brit.)	20	Metals Explor.	25
Dunlop	13	"Mams"	12	Town & City	12	Newmetal	5
EMI	12	Marks&Spencer	18	Town & Comm.	14	Poseidon	12½
Fisons	19	Metal Box	22			Pres. Steyn	20
G.R.A. Trust	12	Midland Bank	35	**Oils**		Rio-T.Zinc	15
Gen. Accident	12	Nat'l West. Bank	55	Brit. Petroleum	55	Walkom	12
General Electric	9	P.&O. Defd.	13	Burmah Oil	35	West Areas	9
Glaxo	25	Plessey	10	Oil Search	4	Western M'ng.	20
		Ralli Intl.	11	Shell	25	Zambia Copper	4
		Rank Org. "A"	47	Ultramar	24		

REGIONAL MARKETS

Further losses were recorded yesterday, after prices were marked up in the early stages in the wake of Wall Street's overnight upsurge. But the opening gains failed to attract fresh business.

Dublin Artisans lost 7p to 177p on the Irish Exchange, where Irish Oil and Cake Mills dipped 3p to 37p and Jefferson Smurfitt eased 1½p to 93½p. McKearns Motors put on 2p to 35p and Ryans Tourist Holdings recovered 3p to 23½p, but Cement Roadstone shed 1p to 65p.

On the Midland and Western SE, F. J. Reeves were up 3p at 50p, John James rose 1½p to 33p and gains of 1p were registered by British Dredging at 77p and C. H. Pearce 41½p. Lovell's Shipping were lowered 5p to 80p, UBM eased 2p to 139p, and Westlands shed 1p to 45p.

Watsham's added a further 5p at 25p, while Beechwood at 145p and Control Securities at 21p were each ½p better. Coated Metals dropped 15p to 282½p, Sovereign Securities lost 4p to 94p and David S. Smith were 2p lower at 44p.

Adams Botter at 23½p and Tomkinson Holdings 100½p each added 4½p, while W. G. Allen improved 3p to 63p.

On the Northern Exchange, Northern Developments reacted 4½p to 248p, but Provident Clothing put on 2p to 238p, as did John Peters to 128p. Wilkinson's Warburton shed 2p to 75p, but Grattan Warehouses rose 1½p to 228p as did Stylo Shoes to 52p.

Allied Colloids improved 4½p to 147p, Glover Chemicals were 4p higher at 112p and Yorkshire Chemicals hardened another 2p to 218p. Doxford and Sunderland moved up another 1p to 46½p but Beyrolle Parsons shed 2p to 137p.

John Haggas gained 2p to 152p. Strong buying continued for J. Waddington "B" which advanced 7p to 220½p. Greenwood and Batley moved up 6½p to 46½p, but losses of 5p were shown by J. Brown at 152p C. and J. Hampton 65p and Daniel Doncaster 47p.

Ditchburn's were 2½p higher at 18½p and Carliol Investment Trust added 2p at 195p. Sheaf Shipping were 4p lower at 162½p. Stanley Miller were 2p off at 17½p and Greensitt and Barrett were 1½p easier at 68½p.

Cromer Ring Mills were off 2p at 53p, while Ash Spinning were offered at 34p. G. Dew marked at 85p, as did General Engineering (Radcliffe) 17p Manchester Ship Canal 245p, Concrete 82½p, Drakes 189p and Kirkstall Forge 53p.

D. Doncaster were 5p down at 47p but A. Lee put on 1p to 28p.

On the Scottish SE, losses of 5p were recorded by Babcock and Wilcox at 261p and John Brown at 150p. William Baird eased 3p to 137½p, House of Fraser lost 2p to 186p and 1p losses were recorded by National Commercial Bank at 146p, Inveresk Paper 27p and Martin Black 43p. Clyde Paper gained 1½p to 8p and United Biscuits were 1p higher at 208p.

Prices in pence and denominations of 25p unless otherwise stated

BELFAST

B'fast C3½%1976	£96	......
B'fast Rope £1	75	......
Hughes (B) £1	160	......
Vulcanite	107	......

IRISH EXCHANGE

NORTHERN EXCHANGE

SCOTTISH EXCHANGE

MIDLANDS & WESTERN

NEW "HIGHS" AND "LOWS" FOR 1971

NEW "HIGHS" (113)

NEW "LOWS" (19)

LONDON U.S. DOLLARS (2)

Takeda 0% 1984 — Toray 6¼% 1976

BANKS (1)

Minster Assets

ELECTRICALS (1)

Advance Electronic

INDUSTRIALS (1)

Canon Inc.

SHIPPING (2)

Court Line — Hunting Gibson

TEXTILES (2)

Toray — Hirst Mallinson

MINES (10)

Western Deep — M.I.M. Hldgs.

Anglo Amer. Inv. — New Broken Hill

Acmin Ex. — North Broken Hill

Great Boulder — Peko-Wallsend

Metramar — Westmoreland

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	39	—	7
Corpns. Dom and Foreign Bonds	22	12	99
Industrials	258	466	988
Finan. and Prop.	117	125	297
Oils	5	16	4
Plantations	8	17	62
Mines	8	77	96
Recent Issues	19	8	81
Totals	476	721	1,639

ACTIVE STOCKS

Prices in pence except where otherwise indicated.

Stock	Denomination	No. of marks	Closing price	Change on day	1971 high	1971 low
Shell Transport	25p	23	394	−15	426	327
Imp. Chem. Inds.	£1	20	316	− 6	330	230
Bovril	£1	17	470	− 3	482½	172½
Burmah Oil	£1	14	432	−20	477	297½
Broken Hill Prop.	A$2	13	572	−11	720	566½
BSR	25p	12	329	−15	386	223½
Barclays Bank	£1	12	596	− 1	618	327½
Bowring (C. T.)	25p	12	446	−10	462	357½
British Petroleum	£1	12	590	−25	628	403
Cons. Gold Fields	25p	12	244	− 9	285	213½
De Beers Defd.	R0.05	12	202	− 7	238	199
Nat. Westminster	£1	12	585	− 8	630	323½
Tube Investments	£1	12	442	− 2	454	304
GEC	25p	11	152	—	160	90
Midland Bank	£1	11	519	− 2	552	287½

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1)(e) and reproduced to-day in Stock Exchange dealings.

Fear of 900,000 jobless total

BY MICHAEL HAND, LABOUR CORRESPONDENT

UNEMPLOYMENT figures issued in some Midland areas yesterday strengthened union fears that this month's total for the U.K., which will be published to-morrow, could approach the 900,000 mark.

The Government is resigned to the fact that it will be some time yet before its recent reflationary measures have any marked effect on the upward trend in unemployment.

The situation will not be helped by the greater difficulties being encountered by this year's school-leavers in looking for jobs.

Between June and July, the number of unemployed went up by 62,000 to 786,000, or 3.4 per cent. of the labour force—the highest July figure for 31 years. The Northern Ireland figure took the total up to 829,000.

Figures issued yesterday showed that in the area including Coventry, Nuneaton and Bedworth the number of unemployed has risen by 570 to 8,477 since last month.

Streamlining

One of the factors in this rise has been the streamlining of labour forces recently by some engineering companies in the area. The list has also been swelled by school-leavers and university students.

The increase in school-leavers without jobs is the main reason for an increase of 912 in the unemployment total in the Walsall area, to bring it up to 4,231. A small increase has also been recorded at Derby but in the Nottingham area the figure has fallen by 400.

However one union, the Association of Scientific, Technical and Managerial Staffs, has told local MPs that unemployment among white-collar workers in the Nottingham area has risen by more than 100 per cent. since last year and that they are now affected worse than manual workers.

Workers try to halt plant closure

PRODUCTION stopped for over two hours at the GEC micro-electronics components factory at Witham, Essex, yesterday as workers met to discuss the company's decision to shut down the factory.

Pickets waving placards claiming "Purpose-built factory going to waste" and "Don't let GEC go the same way as Rolls-Royce," marched outside the factory gates as the 300-strong work force held a mass meeting.

A 24-hour guard has been placed on the factory by the stewards to prevent machinery being moved out.

They said last night that an American company is planning to set up a similar factory in East Kilbride, Scotland, with British Government backing.

The factory is due to close within four months because imported components are cheaper than those produced at Witham.

Vickers boilermakers in token strikes

BY OUR OWN CORRESPONDENT

BARROW IN FURNESS, Aug. 17.

MORE than 1,000 boilermakers at Vickers shipyard, Barrow, went on strike for one day to-day in protest at the sacking of 12 welders.

The Boilermakers' Amalgamation district delegate, Mr. Bob Proudfoot, said after a mass meeting that token strikes would continue until the company reinstated the redundant men.

Vickers replied with the warning that the boilermakers' £2.50 a week "co-operation bonus" would be withdrawn from their pay packets because the company considers they were in breach of an agreement.

"The bonus will not be deducted until next week," said a spokesman. "This is in the hope that reason will prevail and the men will review their position before the week-end."

But tonight Mr. Proudfoot declared: This action would only create a lot more bitterness. It does appear that Vickers just want to provoke trouble."

Cincinnati Milacron to dismiss 400 U.K. workers

BY OUR OWN CORRESPONDENT

BIRMINGHAM, August 17.

ABOUT 400 workers in the Midlands and Bedfordshire are to be made redundant over the next two months by Cincinnati Milacron, the Ohio-based machine tool company.

Mr. Richard Weber, personnel manager for the British group, said here to-day that the redundancies would affect foundries and factories in Birmingham, Cannock, Tamworth and Biggleswade, Beds.

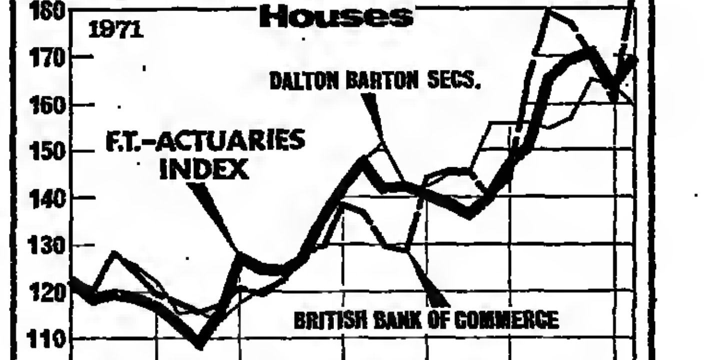
Since the middle of last year, the amount of new business had decreased to the point where it was only filling 50 per cent. of capacity, he said.

The company had been trying to ease this by cutting back on overtime and sub-contracting, and not replacing people where this was possible, but the redundancies were still necessary.

The foundry at Glascote, Tamworth, is to lose some 140 workers so that longer-serving employees from Tamworth could keep their jobs, he added.

PLESSEY TO LAY OFF 300

Some 300 workers, half of them women, are to be laid off by Plessey Telecommunications group at their Edge Lane factory, Liverpool, from to-morrow, because of a seven-weeks-old strike by maintenance workers. Unless the strike is settled, further lay-offs are inevitable, the company said.



The advance in the F.T.-Actuaries share index for Merchant Banks was halted by the Bank of England's document on competition and credit control published in May. However, after retreating some 10 points to mid-June, the subsection has since risen strongly, reflecting some recent good profits statements and last month's C. T. Bowring bid for Singer and Friedlander, and currently stands close to the top of our Leaders and Laggards table with a gain over the year so far of 49½ per cent.

These charts show the pattern of an F.T.-Actuaries index and of prices of two constituents converted to index numbers at weekly intervals over about six months, starting from the same base.

SHARE INFORMATION SERVICE: NOTES

F.T. SHARE INFORMATION SERVICE

BRITISH FUNDS

1971 High	1971 Low	Stock	Closing Price £	+ or −	Gross Yield pc Interest £	Gross Yield pc R'dmption £
		"Shorts" (Lives up to Five Years)				
100¼	98½	Conv. 6pc 1972	100¼	......	6.98	6.43
98½	96⅛	Gas 4pc 69-72	98 11/16	......	4.05	6.36
100 11/16	98 7/16	Exchequer 6¼ pc 1972	100 11/16	......	6.20	5.36
101 1/16	98¾	Exchequer 6¾pc 1973	101 1/16	+ 1/16	6.64	6.48
96½	92⅝	Electric 3pc '68-73	96½	+ ⅝	3.11	5.28
96½	92⅝	Transport 3pc '68-73	96½	+ ⅝	6.11	5.86
97¾	93⅞	Conv. 5¾ pc 1974	97¾	+ ½	6.37	6.12
101⅝	96¾	Treasury 6¾pc 1974	101⅝	+ 3/32	6.66	8.27
90 7/16	84¾	Saving 3pc '65-75	89 11/16	+ 3/32	3.35	5.89
88⅝	98 1/16	*Trans. 6% 1975* ●	88⅝	+ 1/16	6.09	6.44
99⅛	95¼	Exch. 6½pc 1976	98⅝ xd	+ 1/32	6.60	6.78
100⅛	95½	Treasury 5½pc 1976	98⅛	+ ¼	6.61	6.92
		Five to Fifteen Years				
97¼	94⅝	Victory 4pc 1976	97 xd	......	4.11	6.18
99½	97¼	Funding 4pc '60-90	82¼	......	4.12	5.17
88	80	Electric 3pc 1974-77	87 xd	+ ⅛	3.44	5.71
88½	81	Transport 4pc '72-77	88½	+ ⅛	4.55	6.36
92¼	82⅝	Exchequer 5pc '76-78	92¼	+ ⅜	6.53	6.74
85¾	75⅝	Electric 4¼pc '74-79	85¾	+ ⅝	5.05	6.84
80⅝	70¾	Do. 3½pc '76-79	80⅝	+ ¼	4.69	6.74
78¼	68⅛	Treasury 3½pc '77-80	78¼	+ ⅝	4.45	6.75
88⅝	76⅞	Funding 5¼pc '78-80	88⅝	+ ¼	3.97	7.16
77	67¾	Treasury 3½pc '79-81	77	+ ⅝	4.34	6.83
104	92⅜	Do. 8¼pc '80-82	103⅝	+ ⅜	8.25	8.02
83⅞	71	Funding 5½pc '82-84	83½	+ ¼	6.62	7.64

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

PUBLIC BOARD AND OTHER LOANS

Corporation Short-dated Bonds

FOREIGN BONDS & RAILS

London U.S. Dollar and DM Issues

AMERICANS

S.E. List Premium

CANADIANS

S.E. List Premium

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS, ETC.

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING AND METAL

ENGINEERING AND METAL—Gen. Cont.

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS AND CATERERS—Contd.

INDUSTRIALS (Miscel.)

"Recent Issues" and "Rights" Page

INDUSTRIAL (Miscell.)—Continued

†† INSURANCE

PROPERTY—Continued

TEXTILES—WOOL

TRUSTS, FINANCE, LAND—Continued

TEAS—Continued

Ceylon—

1971 High	1971 Low	Stock	Closing Price p	+ or —	Div. % or amount	Times covered	Gross Yield %
60	54	Bogawantalawa £1	60	......	10	1.0	16.7
7¼	4½	Central Prov.	5½	......	3	U1.9	22.7
145	101¼	Ceylon Plants (£1)	144	......	20	1.0	13.9
34	15½	Hemadera	33	—1	—	—	—
45	35	Dimbula Valley £1	38	......	3	2.3	7.9
6	3½	Galaha (25p)	6	......	4	U1.5	13.3
5½	2½	Gen. Ceylon (10p)	3¼	......	2	U1.3	3.0
47	30½	Lanka (£1)	47	......	3	1.2	10.6
50	37	Lunuva (£1)	42	......	5	1.3	6.1
35	21	Nuwara Eliya (£1)	26	......	2	9.8	2.6
40	23½	Ouvah High £1	40	+1	3½	φ	2.7
125	92½	Pelmadulla £1	119	......	21	1.2	17.8
11¼	9½	Rajawella Hldg. 50p	10	......	—	—	—
13½	9¾	Roeshaugh	11	......	5	0.4	11.3
4½	4	Scott. Ceylon	4	......	—	—	—
21¼	15	Scot. Tea & Lds £1	16½	......	2½	φ	16.1
52	36	Standard £1	32	—1	5	1.5	9.6
5	3¾	Tea Corporation	3¾	......	—	—	—

MINES—CENTRAL RAND

1971 High	1971 Low	Stock	Price	+ or —	Div.	Cvr.	Yield
29	70	Durban Deep (R1)	25	......	14c	2.0	
110	88	East Rand Prp. (R1)	95	......	4c	2.4	
32	21	Leopards (R1)	28	......	2c	φ	4.2
15	9	Rand Leases	12	......	—	—	—
90	65¼	Randfon'n Est. R2	80	—2	14c	1.5	
66¼	46	Robinson Deep	60	......	4c	1.2	
26¼	20	Simmer	22	......	—	—	—
40	33	West Rand (R1)	35	......	10c	2.5	16.7

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND

PLATINUM

CENTRAL AFRICAN

AUSTRALIANS

TIN—EASTERN

TIN—NIGERIAN

TIN—MISCELLANEOUS

COPPER

MISCELLANEOUS

1971 High	1971 Low	Stock	Price	+ or —	Div.	Cvr.	Yield
7½	5	Burma Mines (17½p)	6½	......	—	—	—
26	17½	Cent. Prov. Mn. (12½p)	21	......	10	φ	10.1
31	15	Charterhall (5p)	14	......	—	—	—
612½	575	Cons. Murch (10c)	600	—5	80c	2.1	
£80	£75½	G. F. Mg. Ind. Db.	£80	......	7	58.0	10.6
565	405	Northgate (C$1)	423	+5	10c	2.2	4.9
270	210	R.T.Z.	221	—7	24	1.8	3.7
295	89½	Sabina Mines (C$1)	220	......	—	—	—

For Notes, see Stock Exchange Dealings.

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THE LEX COLUMN

Index fell 5.1 to 404.2

Philips passing the nadir

The weakness of equities yesterday on fair volume confirmed London's readiness to be independent of Wall Street. Apparently the market is, for the moment, no longer looking for excuses to go up, but is more concerned with getting it right: that was particularly true in the Oil sector where a rethink produced some sizeable price falls.

For the present, speculation over any lasting solution to the world currency problem looks unrewarding and the best working hypothesis is probably that this uncertainty will endure a good time: and yesterday's Stock Market message is that the uncertainty is not good for equities. This does not mean that one is looking for appreciably lower price earnings ratios at this stage. There has been no change in the corporate earnings picture lately to justify that, and it would be a fair guess that confidence is not currently at the stage where it is vulnerable to a serious breakdown across the market.

Philips

The relative price weakness of Philips in Amsterdam—8 per cent. down to Fls.40 this month—has proved a fair pointer to its second quarter performance and profits down from Fls.253m. to Fls.78m. That leaves first half earnings, Philips style, 61 per cent. lower at Fls.0.75 per share, and marks the nadir after a calendar year in which earnings have fallen by about a half.

A slowdown in sales growth during the second three months to 8 per cent. does not, apparently, herald a shortfall in the overall projected rise of 9-11 per cent., which suggests that the West German market is over the worst. We already have a forecast of considerable improvement in the U.S. during the current half, and by way of cost savings the number of employees worldwide will be some 7 per cent. down by the year end, rather more than originally expected.

So the trading trend is improving: it is worth noting too that the first half earnings fall in U.S. terms is limited to 42 per cent. and that stocks—a couple of points up in June at 38 per cent. of sales—will still be lower over the year. If Philips' accounting system, and perhaps a mid-year change in the replacement rates, played a sizeable part in the sudden deterioration over the second six months of 1970, one could now be expecting—but for the fact that the second quarter was so much worse than the previous three—a return to levels approaching the second half of 1969; total 1971 earnings of something like Fls.2.75 might now be the guess or nearer Fls. 3.50 on the U.S. basis.

See also Page 14

British Relay

British Relay has embraced thrift with all the ardour of a convert, slicing the dividend from 2.5p to 0.75p a share after six years marked by a dogged rearguard action on distribution policy. The occasion is another fall in profits, again after a nil tax charge, from £1.07m. to £804,000, dropping earnings to 2.04p a share; and the market took a surprisingly mild view of the proceedings, leaving the shares 5½p lower yesterday at 42½p on a p/e of 20.9.

As usual, BRW can pull mitigating factors out of the hat. In 1969-70 (when profits fell from £1.55m.) it charged the costs of setting up for colour TV against revenue. Last year, apart from the usual cost inflation story, it had a failure in the supply of monochrome TV sets which apparently kept 3,000 customers waiting at one stage; and the long-awaited customer switch, away from fully depreciated sets into new ones carrying high depreciation and installation costs, tends to deflate profits in year one.

That, after a rise in depreciation from £3.46m. to £3.96m. leaves shareholders (including the major stakes of Reed, ATV and Pye) looking wistfully at a cash flow multiple of under 3½—the cheapest in the business perhaps, but there is little merit in that until it starts to be translated into earnings. This year's SET cut could be worth £170,000 but it is unlikely that earnings "growth" will come from any other source what with more wage inflation, front end cost and depreciation loading on the colour boom and the financing costs involved—the dividend cut is an indication of the financing problem, but by no means a measure of it.

The question, then, is whether BRW will be allowed to survive as it stands. An earnings breakout is expected in 1972-73 but Reed and ATV (Pye being slightly different, as a set supplier) may not be prepared to wait that long. The alternatives seem to be a bid at a price higher than BRW has been since 1969, or an initiative from the Reed/ATV corner.

See also Page 15

Booker/Sheppey

Booker McConnell's price for the Sheppey group of supermarkets, food and meat shops etc. is effectively £3.7m. Although the 14 per cent premium on Sheppey's net tangible assets of £3.25m. is merely a by-product of Booker's recent price strength—originally the terms valued the assets at par—it can be regarded as a goodwill payment of about £3,500 per average shop's sales of £1m. per annum which is well under par where the supermarkets are concerned.

That, given the lack of detail on profits, is probably just as well but Booker estimates that Sheppey's shops will contribute about £300,000 net by 1973. This assumes that the property (currently valued at £2.4m.) will produce a 9 per cent. return and the shops will yield at least 2 per cent.—if not 2½ per cent.—on sales of £13m.

Against this, Booker turned in £2m. net in 1970 and all the signs had pointed to a substantial increase—with the sugar side recovering—in 1971. So with an ultimate 13¼ per cent. increase in Booker's equity, it looks as if there will be at least short-term dilution of earnings. But the prospect of doubled retail turnover for a prospective 1973 exit p/e of 11.8 is an understandably rich plum in relation to the risk involved.

See also Page 15

They will play it tough in Tokyo

BY HENRY SCOTT-STOKES

OUTSIDE THE Japanese Finance Ministry there is a beautifully maintained little Japanese garden, with a few heavy rocks sparingly set in an expanse of white raked sand. Surveying this garden after a long vigil in the Ministry yesterday the thought crossed my mind that the Japanese authorities will approach the problems now facing them—above all that of the yen—in a peculiarly Japanese way, one which may still hold a surprise for Western Governments, for all the seemingly conventional opinion here that Japan is going to float the yen shortly, if many European Governments also float their currencies.

Love of order

What I mean by this, in part, is that the Japanese may be rather more tough in handling their yen problem than either Japanese bankers or most foreign observers seem disposed to admit would be possible. If, for example, the were to float the yen, they would be doing so clean against the ingrained Japanese preference for a settled order. Even such a modest proposal as that of widening the band of the currency has until very recently been rejected, and firmly so.

There is a second aspect of Japanese-style toughness. This would be that if indeed, the Government feels obliged to revalue the yen, then it will strive to make the revaluation as small as possible. What this means, unless the situation in Europe develops beyond one's expectation's, is that the Japanese would perhaps consider at this stage a revaluation of the modest order of only 4 to 6 per cent. Ten per cent., for which the Americans seem to be bidding (with the 10 per cent. temporary import tax), would see nto be totally out of the question: and 8 per cent., too—with the Germans jibbing against this order of revaluation—would also seem much too high to the Japanese at this stage. But the magnitude of the pressures to which they will be subject has yet to be seen.

Palliatives

The Japanese approach to international problems has perhaps a third aspect, which might almost be described as cunning. Whatever action they take on the yen, they are likely to accompany it with other, palliative measures, for example, a promise further to "accelerate" trade and capital liberalisation, a renewed offer perhaps to buy an enormous quantity of American bonds (a recent idea was to purchase $2,000m. worth), and more talk of "orderly exporting"—providing that the 10 per cent. import surcharge is dropped. The true value of such palliative measures might indeed be small.

Whatever the Japanese do—and one may repeat that floating the yen is the fashionable theory here (with a rigid exchange control to determine yen-dollar rates)—one expects them to be relatively tough. They are not embarrassed by their increasing strength. They like to be strong, and would like to be stronger still.

National pride

For years they have been accustomed to conduct their affairs from what they have chosen to describe as a "low posture." The days may be past, however, when they will automatically give way to the Western Powers, above all the U.S. Such general considerations might seem to be only marginal to such a matter as the yen, yet the time has perhaps arrived when they take as much pride in their currency as any people in the world. Let no one be surprised if they do the minimum to co-operate in the near future by way of revaluing their currency.

Ulster security: Unionist backing for Faulkner

BY OUR OWN CORRESPONDENT BELFAST, August 17.

MPs AND SENATORS in the Unionist Parliamentary Party at Stormont to-day declared their full support for Mr. Brian Faulkner, the Premier, in his handling of the security situation.

To emphasise their approval in the public mind they did it twice: first at a meeting of the Parliamentary Party at which the Premier replied to questions on security, and then in a telegram after a private meeting without Ministers being present.

The telegram expressed "full and unqualified approval" of Mr Faulkner's reply to last week's call by Mr. Lynch, Prime Minister of the Irish Republic, for the abolition of Stormont in its present form and pledged full support to Mr. Faulkner in all his efforts to defeat terrorism.

The Premier's supporters were clearly buoyed up by to-day's reaction of the Parliamentary Party, although some of the Government's most vehement critics in the Unionist ranks are outside this forum.

These include Mr. Craig, the former Minister of Home Affairs, who has joined with the Rev. Ian Paisley and Mr. Desmond Boal, another Unionist MP outside the Parliamentary Party, in a new coalition of Unionists and loyalists "for the period of this constitutional emergency."

Mr. Craig who, with his colleagues, accused the Government in a statement of being irresolute, to-day demanded the recall of the Stormont Parliament.

It met briefly to-day solely for the Royal Assent to Bills. The only Opposition MP present was Mr. Vivian Simpson, a Northern Ireland Labour member.

In Belfast to-day armed terrorists escaped with £6,000 in three robberies—two on post offices and one on a bank.

As allegations of intimidation continued, a newspaper advertisement asked all Roman Catholic members of the part-time Ulster Defence Regiment to attend a meeting in Belfast to-morrow night.

London talks

It is known that some Catholic UDR men have received threats and it is believed that there have been a number of resignations. About a quarter of the 4,800 men in the regiment are Catholics.

Richard Evans, Lobby Correspondent, writes: Mr. Faulkner is due to arrive in London this evening for a day of talks with the Prime Minister and other senior Ministers at Chequers to-morrow.

The visit is not seen as the prelude to new initiatives in Ulster but it will give senior Ministers the opportunity to assess the results of the policy of internment.

As to the future, Ministers will hopefully discuss with Mr Faulkner the possibility of a political initiative involving Britain, Ulster and Ireland once stability has been achieved, but the timing will clearly depend on events over the coming weeks.

Mr. Reginald Maudling, the Home Secretary, is flying back from holiday in Majorca to attend to-morrow's talks. Other Ministers present will be Sir Alec Douglas-Home, the Foreign and Commonwealth Secretary, and Lord Carrington, the Defence Secretary.

Dominick J. Coyle, Dublin correspondent, adds: The latest developments in Northern Ireland, including the Northern opposition's campaign of civil disobedience, were considered by the Dublin Cabinet at its regular weekly meeting. No statement was issued.

Afterwards, Mr. Lynch, the Prime Minister, had a lengthy discussion with Mr. Liam Cosgrave and Mr. Brendan Corish, the Opposition leaders. The meeting brought no immediate public endorsement from either Mr. Cosgrave or Mr. Corish for the Prime Minister's "Stormont must go" policy.

£185,925 in calls on brokers' failure

By Nicholas Leslie

The Federated Stock Exchanges will be called upon to provide up to £185,925 to meet claims resulting from the failure last December of brokers Bartlett and Co., on the Midlands and Western Stock Exchange.

This is disclosed in the report of the Federation of Stock Exchanges in Great Britain and Ireland, published yesterday.

The report indicates that the detailed scheme for amalgamation of the Federated Stock Exchanges into a single organisation will be sent out to members by late autumn.

Of the estimated claims in respect of Bartlett, a total of £112,314 had been called on from exchanges excluding the London and the Provincial Brokers Stock Exchange at June 30. Claims paid amounted to £101,532.

From estate

The failure on the Scottish Stock Exchange of Gilmour Shaw and Co. in 1969 has been followed by total claims, less recoveries, of £272,284 being met by the Federated Exchanges. The amount paid by the London and Provincial Brokers Stock Exchanges was £93,484.

No further claims are outstanding against Gilmour Shaw, but it is anticipated that additional amounts will be recovered from the defaulters' estate. These will be distributed first to the London and the Provincial Brokers' Exchanges and, in the event that they are repaid in full, any further amounts will go to the associated exchanges.

The report shows that the net deficit, after tax, of the Federation in 1970-71 increased from £497 to £3,444, reducing the accumulated fund to £6,474.

Gap in tourist $ rates narrows

BY ARTHUR SANDLES

LIFE BECAME a little easier for American tourists in Britain yesterday as the difference between exchange rates in banks, shops, hotels and restaurants narrowed after the wide variations of the day before. Not that anyone was keen to accept dollars.

The queues formed early at the Haymarket offices of American Express in London but that organisation lowered its rate from a patriotic $2.4275 to the £ to $2.52. It thus came broadly into line with other banks—but is cashing its own cheques without limit.

Meanwhile Britons going abroad were having some trouble. Banks were issuing sterling travellers cheques and suggesting that they be cashed on arrival. The Midland was giving its customers the money they required but saying they would not be billed until a firm rate was established.

National Westminster managers have been told to set their own limits on selling dollars.

The banks were hotly denying accusations of exploitation. "The problem is that we don't know when the markets will open again or what the rate will be when they do," said the NatWest. "We thus don't know when we will get our sterling back. We are in effect giving tourists an overdraft."

The National Westminster was buying dollar cheques at $2.50 to the £ and notes at $2.60. The Midland rates were $2.46 for cheques and $2.50 for notes. "We are probably charging a little less than the others," said the Midland, "but we will only change £20 (say a $50 bill)." Barclays' rates were $2.52 and $2.55.

Barclays was selling dollars to Britons at a rate of $2.41—much the same as in pre-crisis days. "The whole position is fraught with uncertainty."

Meanwhile, the peak London rate of $2.75 which was hit at the Hilton Hotel on Monday afternoon had come down to $2.60. Money would be provided only for guest requirements—"we are not a bank."

Trust Houses Forte was accepting dollar payments of bills at a rate of 39p to the dollar ($2.56). "It is a very difficult situation, we do not want to take advantage of the situation and charge people too much, but on the other hand we do not want to lose as a result of the position. The 39p rate is what we are giving to-day; what it will be to-morrow we do not know yet."

Trust Houses Forte representatives in the U.S. have been told to market the U.K. hotels on a sterling basis for the moment. As yet there seems to have been no adverse effect on bookings. BOAC said there had been no reports of untoward cancellations in the States.

Tourists were still able to buy goods in the big stores with dollars. At Selfridges assistants will no longer take notes or cheques but customers are referred to a bank, the Cooks exchange office, or the store accounts department. There and at Cooks they were given a rate of $2.65 for both cheques and cash.

At Harrods the rates were $2.55 for direct purchases and $2.58 at the store bank.

In this situation credit cards tend to come into their own. These accounts are paid locally by the credit card company in local currency and then billed to the card user when the exchange rate settles.

Americans who bought articles or paid their bills with credit cards will not have to pay an increased charge even though the store or hotel may not yet have sent the details to American Express.

TUC 'Save Clydeside' plan for Heath within fortnight

BY ANDREW HARGRAVE, SCOTTISH CORRESPONDENT GLASGOW, August 17.

THE TUC's "Save Clydeside" plan will be put to the Government within a fortnight, Mr. Vic Feather, general secretary, said here this evening. It is expected to be approved by the full general council on Wednesday of next week.

Mr. Feather also wants redundancy notices, due to be issued to UCS workers this week, to be withheld while the plan is discussed with the Government.

I understand that fewer than 200 people, less than half the number originally expected, will receive dismissal notices. Earlier to-day, UCS shop stewards had threatened an immediate overtime ban if the redundancies are implemented.

Mr. Feather spoke after a three-hour meeting between the TUC's economic committee and representatives of the Confederation of Shipbuilding and Engineering Unions, the Scottish TUC and the shop stewards' co-ordinating committee.

It appears that after some argument, a common front within this broad grouping had been forged on the basis of the TUC proposals for a Clydeside Development Authority with the first task of taking over the assets and liabilities of UCS.

The TUC wants the Government to back it with a grant of "some millions" (Mr. Feather would not put a figure on it), "sufficient to deal with the UCS situation and the wider undertaking."

But the document stresses that employment levels would be kept at about the present level only for the "immediate future." Up to now, the shop stewards had insisted on keeping the yards and jobs intact.

To-night, Mr. James Reid, a leading UCS shop steward, amended this to "no redundancies unless alternative work is available."

The official leadership seems to have gone a long way towards allaying fears about a "sell-out." From this afternoon's meeting, the call has gone out to all unions with members in the UCS yards to pay disputes benefits to redundant workers who co-operate in the "work-in," now in its third week.

Four unions have already agreed, the latest being the Amalgamated Union of Engineering Workers. The rest are expected to follow suit shortly.

Mr. Feather, Mr. Hugh Scanlon, president of the AUEW, and Mr. Dan McGarvey, president of the Boilermakers' Amalgamation, will be among the speakers at to-morrow's mass demonstration in Glasgow, thus signifying the TUC's blessing.

Work is expected to stop in the afternoon not only on Clydeside but in many other places in Scotland. The demonstration, which includes a march through the streets of Glasgow, is expected to be the biggest since the war, bigger than the one on June 23 against the Government's decision to allow UCS to go into liquidation.

Asked if he was hopeful about the Government's acceptance of the TUC proposals, Mr. Feather replied: "This is a reasonable plan prepared by reasonable people in a reasonable way."

● Three shop stewards from Clydebank and Mr. James Ramsey, full-time official of the Boilermakers' Amalgamation at Glasgow, spent a day on Merseyside yesterday seeking support for the Clydebank fight.

At a meeting of 2,500 shop stewards and workers in Cammell Laird's ship repair yard, a resolution was unanimously adopted, "fully supporting the fight of the UCS yards and promising moral and financial support."

Strike hits output of steel at Port Talbot

BY ALEX HENDRY, LABOUR REPORTER

THE British Steel Corporation said yesterday that production at its Port Talbot plant had been cut by about 10 per cent. because of the unofficial strike by 2,000 white-collar workers.

The strike began yesterday over an 8 per cent. pay claim. The strikers are due to meet again to-morrow when Mr. Stanley Biddiscombe, local official of the Iron and Steel Trades Confederation, will urge the men to return to work to allow further negotiations on their claim.

Eight branches of the union are involved in the dispute and most of the lay officers of the branches have all resigned. They are understood to have done this to try to avoid the disciplinary procedure of the ISTC which takes a tough line with unofficial strikers.

About 90 per cent. of the staff at Port Talbot are supporting the strike. They deal with wages, processing orders and production control.

The BSC is reviewing the situation daily and so far has not announced any plans to lay off other workers at the plant which has been producing 50,000 tons of steel a week.

Britain ready to offer Malta short-term help

BY MICHAEL SIMMONS

BRITAIN is prepared to help Malta out of its short-term financial difficulties, admitted to be "serious" at the opening of the Malta Parliament on Monday, if Mr. Dom Mintoff, the Prime Minister, shows himself ready to reach agreement with Britain on the use of the island's defence facilities.

It is understood in Whitehall that this sort of help would, however be offered only on a quid pro quo basis where Mr. Mintoff would have to be demonstrably in earnest to reach an agreement with Britain at or very near the terms offered to him last week by Sir Duncan Watson, after the NATO meetings in Brussels.

Malta's current financial difficulties, it was revealed on Monday, are such that there is barely enough in the island's kitty to meet certain salaries and pensions. In the speech from the Throne, Sir Anthony Mamo, the new Governor-General, stated that payments for some contracts—a number of them with foreign companies—had been suspended.

These admissions are seen in London as a way, albeit a very devious one, of asking for outside help. This would mean, so far as Britain is concerned, an increase in the annual £8.5m. "package" of cash and economic aid worked out last week between Britain and NATO.

Arab plan

It is understood that should Mr. Mintoff be willing to embark on negotiations in a cool and sensible fashion, then there could possibly be some very minor upward revision of this offer.

Meanwhile, close attention is still being given by Britain and its NATO partners to the continued presence on the island of Mr. Mikhail Smirnovsky, Soviet Ambassador to Britain and accredited in Malta. Reports that he was there to offer Soviet "aid without strings" are dismissed as unlikely.

Our Cairo Correspondent adds: The Arab states have a plan for countering "Israeli influence" in Malta and for improving Arab economic links with the island, according to Mustafa Kemal Mourtega, Egypt's Ambassador to Rome, who is also accredited in Valletta.

In an interview with Al Ahram's fortnightly Economic Review published yesterday, Mourtega said that the Arab League was preparing the plan and that talks were already under way on means of providing Malta with economic assistance and goods and improving cultural relations.

An Arab League spokesman acknowledged that League headquarters were studying the situation in Malta, but said it was premature to talk of a plan being prepared. Libya has taken the lead in promoting Arab interests on the island.

Barclays extends medium term lending to business

BY JOHN HUNT

BARCLAYS Bank is to offer a wider service to business customers by extending its facilities in medium-term lending, leasing and factoring.

The move is another sign of the increased competition in bank lending and follows the recent announcement by the National Westminster Bank of a development loan scheme to businessmen.

Mr. Derek Wilde, senior general manager of Barclays Bank, said yesterday that there are now few borrowing propositions, other than long-term loans, which do not come within the scope of the bank's business finance services.

Until now bank lending ceilings have led Barclays to channel most of its medium-term loans through its subsidiary, Barclays (London and International). But under the new arrangement they will be available through Barclays branches throughout the country.

The loans will be for periods of up to five years at interest rates 2 to 5 per cent. above Bank Rate. The rate would depend "entirely upon circumstances and the term of the loan," said a spokesman.

He described it as a flexible system offering medium-term lending "right acros the board."

Barclays is also to develop its factoring business by offering a service to companies throughout Britain whereas it had been formerly concentrated on export companies.

Under the factoring system the bank takes over entire responsibility for a company's sales ledger, including the collection of debts—a form of service which has been most widely developed in America.

The bank will be setting up a new division to lok after lending and the new post of leasing division manager has been created. The division will handle the leasing of industrial equipment, a method which is becoming increasingly popular with companies who want to know exactly what their annual equipment cost will be.

Weather

U.K. TO-DAY

Most parts will be dry bright or sunny spells, alt some showers are likely and N.W. Scotland and th a risk of outbreaks of thu rain in the Channel Island S.W. England.

It will be warm in S. Eo

London, Midlands, Cent. N
Dry and sunny. Early patches. Wind E. light. 24C (75F).

S.E. and Cent. S. En
Dry with sunny spells. E. light or moderate. Ma (73F), but cooler on coasts.

E. Anglia, E. Eng.
Dry with sunny spells. E. light. Max. 22C (72F cooler on coasts.

S.W. Eng, Channel Isl
Sunny spells. Perhaps breaks of thundery rain. E. moderate. Max. 22C

Wales, N.W. Eng.
Dry with sunny spells. E. light or moderate. Ma (75F).

Lake Dist., Isle of Man, N.E Borders, E. and S.W. Edinburgh, Glasgow, N. I
Mostly dry with brig sunny intervals. Wind lig variable. Max. 19C (66F).

Cent. Highlands, Caithn Argyll, N.W. Scot.
Sunny intervals and showers. Wind W. or S.W or moderate. Max. 17C

Dundee
Mostly dry with sunny Wind W. light. Max. 19C.

Orkney, Shetland
Sunny intervals and sh Wind W. moderate or Max. 14C (57F).

Outlook: Mostly dry and with sunny spells over En and Wales, although outl of rain may occur in extre Rain or showers in Scotlan N. Ireland.

BUSINESS CENTRES

		Mid-day Y'day °C	°F		
Amstrdm.	S	19	66	Manchstr.	[illegible]
Bahrain	S	36	96	Melbourne	[illegible]
Beirut	S	30	86	Mexico C.	[illegible]
Belfast	C	15	59	Milan	[illegible]
Belgrade	F	18	64	Montreal	[illegible]
Berlin	S	20	68	Moscow	[illegible]
Birmghm.	S	19	66	Munich	[illegible]
Bristol	F	20	68	Newcastle	[illegible]
Brussels	S	21	70	New York	[illegible]
Budapest	F	23	73	Oslo	[illegible]
B. Aires	S	16	61	Paris	[illegible]
Cairo	S	35	95	Prague	[illegible]
Cardiff	S	20	68	Reykjavik	[illegible]
Cologne	S	22	72	Rio de J'o	[illegible]
Copnhagn.	F	19	66	Rome	[illegible]
Dublin	C	16	61	Singapore	[illegible]
Edinb'rgh	C	14	57	Stockholm	[illegible]
Frankfurt	S	22	72	Strasbourg	[illegible]
Geneva	S	24	75	Sydney	[illegible]
Glasgow	C	15	59	Tehran	[illegible]
Helsinki	F	18	64	Tel Aviv	[illegible]
H. Kong	C	25	77	Tokyo	[illegible]
Jo'burg	S	18	66	Toronto	[illegible]
Lisbon	F	23	73	Vienna	[illegible]
London	S	20	68	Warsaw	[illegible]
Luxembrg.	S	23	73	Zurich	[illegible]
Madrid	S	30	86		

HOLIDAY RESORTS

Ajaccio	S	30	86	Istanbul	[illegible]
Alxndria	C	30	86	Jersey	[illegible]
Algiers	S	34	93	Las Plms.	[illegible]
Athens	S	33	91	Locarno	[illegible]
Barcelona	F	30	86	Luxor	[illegible]
Biarritz	C	23	73	Majorca	[illegible]
Blackpool	F	18	64	Malaga	[illegible]
Bordeaux	S	32	90	Malta	[illegible]
Boulogne	S	21	70	Nairobi	[illegible]
Casablnca	C	24	75	Naples	[illegible]
Cape Tn.	C	17	63	Nice	[illegible]
Corfu	F	31	88	Nicosia	[illegible]
Dubrovnik	C	30	86	Oporto	[illegible]
Faro	F	25	77	Rhodes	[illegible]
Florence	S	35	95	Salzburg	[illegible]
Funchal	S	22	72	St. Moritz	[illegible]
Gibraltar	F	29	84	Tangier	[illegible]
Guernsey	S	20	68	Tenerife	[illegible]
Innsbruck	S	23	73	Tunis	[illegible]
Inverness	F	15	59	Valencia	[illegible]
I. of Man	C	15	59	Venice	[illegible]

S—Sunny. F—Fair. C—C

هكذا من الأصل